

Verifacts Services Pvt Ltd
#4007, Hallmark Square,
1st & 2nd floor, 100ft Road,
Indiranagar, HAL 2nd Stage,
Bangaluru - 560038
CIN:
U74140KA2005PTC035878

Tel: +91 80 6782 2222
Fax: +91 80 41510771
Email: enquiries@verifacts.co.in
Web: www.verifacts.co.in



NOTICE

NOTICE is hereby given that the **18th**Annual General Meeting of the Members of **VERIFACTS SERVICES PRIVATE LIMITED** will be held on Thursday, 6th July 2023 at 11: 30 am through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statement, the Balance Sheet as at 31st March, 2023, Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend, if any.

For **Verifacts Services Private Ltd**

A handwritten signature in blue ink, appearing to read "Vijay Kumar Jatia", is written over a horizontal line.

Director

Name: Vijay Kumar Jatia

Address: 1, Mittal Chambers, 228, Nariman Point, Mumbai-400021

DIN: 00096977

Date: 19.05.2023

NOTES

1. The Ministry of Corporate Affairs ("MCA") has vide its Circular No 20/2020 dated May 5, 2020 read with Circular no 14/2020 dated April 8, 2020, Circular no 17/2020 dated April 13, 2020, Circular No 02/2021 dated January 13, 2021, Circular No 20/2021 dated December, 8th, 2021, General Circular No. 10/2022, Dated 28.12.2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the



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Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- 3 Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf. The said Resolution/Authorization shall be sent to the Company at [**secretarial@verifacts.co.in**](mailto:secretarial@verifacts.co.in)
- 4 Members are requested to register their email address if they have not registered the same with the Company.
5. Members will be provided login id and password separately through email.



VERIFACTS SERVICES PRIVATE LIMITED

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 18th Annual Report along with Audited Statement of Accounts for the Financial Year ended 31st March, 2023.

FINANCIAL RESULTS

	Financial year 2022-23	Financial year 2021-22
Revenue from operations	2409.72	2049.47
Other Income	88.96	105.79
Total Income	2498.68	2155.26
Depreciation & Amortisation Expenses	218.81	141.56
Financial Expenses	50.78	59.45
Profit before exceptional and extraordinary item and tax	105.41	154.75
Provision for taxes (net of Deferred tax)	22.03	31.48
Profit/(Loss) after tax	83.38	123.27
Other comprehensive Income	5.55	-(1.01)
Total comprehensive Income	88.93	122.26

GENERAL INFORMATION ABOUT THE COMPANY

Verifacts Services Private Limited is a human resource consulting company providing background/antecedents verification services. The Company provides services to a large number of multinationals and national companies worldwide. The company has 7 branches (including Head Office) in India and it also has various tie up with agencies abroad.

PERFORMANCES AND REVIEW OF BUSINESS OPERATIONS

During the year under review, the Company has increased the turnover to **Rs. 2409.72 from Rs. 2049.47 lakhs**. The total comprehensive income is Rs. 88.93 Lakhs as compared to **Rs. 122.26 lakhs**, a decrease of 26.55%, however the Company's strategic business decisions promises to show positive results. Post the pandemic, the company also initiated online verification process and the business continuity plan has also been implemented.

The Company is in dialogue with various corporates and major Clients to increase the revenue/turnover. Efforts are being made to increase the productivity and reduce the dependency on Vendors.

A conscious effort has been made to approach inactive clients and various steps have been taken to bring more efficiency in the system. The Company's process of centralizing the entire business operations is being implemented. The significant positive outcome from these initiatives and efforts would be reflected in the coming years. In light of this the strength of the branch offices in Chennai and Kolkata has been increased and are performing to full potential.

Your Company will continue to focus on growth and is also considering options for expanding its operations which will be of value to the Company and its stakeholders.

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POST COVID SCENARIO ON BUSINESS OPERATION FOR THE COMPANY

2022-2023 was really difficult for the IT Businesses as the growth which was expected post Covid Pandemic did not pay off. The Information Technology sector saw tremendous lay off of its workforce and that included giants some of which are also clients of our Company. The Butterfly effect of the said was seen in the business operations of our company as there were lesser recruitment drives and consequently hampered the volumes of background verification.

Considering the challenging business scenario, in the period under review the Board of Directors of the Company took the prudent step to diversify the business of the Company in the similar sector and amended the main object of the Company for providing IT Consultancy services, Human Resource services in India and Overseas. The said decisions of diversification have paid off and our Company has managed to meet the growth targets in the period under review.

The Company is in process of consolidating its office in Mumbai and Pune to achieve cost efficiencies and expanding operations in Bengaluru, Hyderabad and Chennai.

NO MAJOR EVENTS HAVE OCCURRED AFTER THE BALANCE SHEET DATE.

DIVIDEND

Despite a Drastic fall in the profits of the company the Board of Directors are pleased to recommend a dividend of Rs. 25,00,000/- (50%) per fully paid equity share of Rs.10 each/-.

BOARD MEETINGS AND ATTENDANCE

Details of the Directors, their meetings, attendance is given below:

Names of the Directors	No. of Board Meetings Held	No of Board Meetings Attended	Last AGM Attendance (Yes/No)
Shri Vijaykumar Jatia	5	5	No
Shri S D Israni	5	5	No
Shri A.R Birla	5	3	No
Shri. Sidhant Jatia	5	3	No
Shri. Mudit Jatia	5	5	No

*The CEO was present at the meeting to answer queries raised by the shareholders.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There has been no change in the Board of Directors and the provision of Section 203 of the Companies Act 2013, with regards to KMP doesn't apply to our company.

COMMITTEES OF THE BOARD

No separate committee has been formed; all major decisions are taken at the Board level which is implemented by the CEO.

Section 135 of the Companies Act, 2013 does not apply to the Company.

The Company has adopted the prevention of sexual harassment policy which is implemented stringently. The policy can be accessed on the website of the company.

VIGIL MECHANISM:

Though not required as a good practice, employees are encouraged to bring to the notice of the Management any discrepancies, wrong doings, alleged fraud, etc which is dealt with very firmly.

The Company has adopted a Whistle Blower policy with a view to provide a mechanism for employees of the Company to approach the Board of Directors in case of any suspected violation.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- ii) appropriate accounting policies have been selected and applied them consistently and the judgments and estimates made 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, 2023 and of its profit for the year ended as on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis.
- v) Directors have devised proper system to ensure Compliance with the Provisions of all applicable laws and that such system are adequate and operating effectively.

SUBSIDIARY COMPANIES

The Company doesn't have any subsidiary however the Company is a wholly owned subsidiary of Modern India Limited.

ASSOCIATE COMPANIES

The Company doesn't have any associate company nor does it have any joint venture with any other company as on 31st March 2023.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rules 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 is annexed to this Report as Annexure 1).

AUDITORS' APPOINTMENT:

K S Aiyar & Co., Chartered Accountants, (FRN:100186W) who were appointed as auditors of the Company at the 17th Annual General Meeting for a term of 5 years retire by rotation at the conclusion of the 22nd Annual General Meeting subject to ratification at every Annual General Meeting

SECRETARIAL AUDIT REPORT -Not applicable

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.

In compliance with the provisions of Section 134 read with Companies (Accounts) Rules, 2014, a statement giving requisite information is given in Annexure 'A' forming part of this Report.

FIXED DEPOSITS: The Company has not accepted any Deposits.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the regulators or Court or Tribunals impacting the Going Concern status and the Company's operations in future.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a well defined organization structure, documented policy guidelines, predefined authority levels, and an extensive system of internal controls helps in ensuring optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and it has taken

SECURED LOANS(taken): **Rs.194.07 lakhs**

UNSECURED LOANS(given): **Rs. 56.63 lakhs**

UNSECURED LOANS(taken): NIL

NON CURRENT INVESTMENTS: **Rs. 978.89 lakhs**

GUARANTEES: **0.56 lakhs**

SECURITIES EXTENDED: NONE

RISK MANAGEMENT POLICY:

The Management takes prompt action to mitigate any risk faced by the Company, currently the Board is regularly updated with various risk factors faced by the Company and steps are taken to mitigate the same.

CORPORATE SOCIAL RESPONSIBILITY POLICY: NOT APPLICABLE

PARTICULARS OF CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

Refer Annexure 2(AOC 2)

DISCLOSURE ABOUT COST AUDIT: NOT APPLICABLE

RATIOS OF REMUNERATION TO EACH DIRECTOR: NOT APPLICABLE

Reply to Statutory Auditors Qualification-NOT APPLICABLE

The Company has no associate or joint ventures and does not have any subsidiaries therefore; there is no consolidation of accounts.

DEFERRED TAX: assets of Rs. 25.45 during the year was created.



INSURANCE

Company has taken adequate insurance cover for assets of the Company and Directors and Officers liability care is also taken.

PARTICULARS OF LOANS AND GUARANTEES GIVEN /TAKEN BY THE COMPANY.

Loan /Credit facility to the limit of Rs. **6.17 Lakhs** were outstanding/availed against Hypothecation of Motor Vehicles from Federal Bank Limited.

MANAGEMENT DISCUSSION AND ANALYSES: NOT APPLICABLE**HUMAN RESOURCE /INDUSTRIAL RELATIONS**

Your Company firmly believes that success of a company comes from good Human Resources. Employees are considered an important asset and key to its success. HRD has been strengthened for sourcing and developing high caliber employees providing them relevant training for capitalizing on of their competence and facilitating their assessment process through an effective Performance Management System (PMS). Company aims to remain lean and dynamic in a continuing de-layered structure. The Employee relations continued to be satisfactory.

RESTRICTION ON PURCHASE OF OWN SHARES

The Directors has confirmed to the Board of Directors that the Company has not provided funds to the employees or any other person to purchase its own shares.

CORPORATE GOVERNANCE: NOT APPLICABLE**GREEN INITIATIVE**

Your Company has taken the initiative of going green and minimizing the impact on the environment. The Company will hence forth be circulating the copy of the Annual Report in electronic format to all Members whose email address are available with the Company. Your

Company would encourage Members to register themselves for receiving Annual Report in electronic form.

OUTLOOK

The Company looks forward for excelling in the business endeavors and improving shareholder value.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere thanks to the Valued Customers, Suppliers, Bankers, Central Government, State Governments and various Consultants and Business Associates for their continued support, co-operation and guidance, during the year under review. Your Directors also wish to thank their employees and executives at all levels for their valuable contributions.

For and on behalf of the Board of Directors


Vijay Kumar Jatia
Chairman

Mumbai
Date:19.05.2023

Registered Office:4007, Hallmark Square,1ST& 2ND Floor,100ft Road, Indira nagar, HAL 2ND Stage, Bengaluru-560038.

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VERIFACTS SERVICES PRIVATE LIMITED

ANNEXURE 'A' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 134 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023

1. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

As the Company has no manufacturing activities, the provisions of Companies (Accounts) Rule, 2014 relating to Conservation of Energy, Technology Absorption and Research & Development do not apply to your company.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) -Activities relating to exports : The Company provided services to its clients for their activities out of India
- Initiatives taken to increase exports : Continuous efforts to identify new markets are being made by the Company.
- Development of new markets for products & services & Export plans : Efforts are being made to develop market for various company's products in the South East Asia & Middle East and US

(b) Total Foreign Exchange:

- (i) Earnings : Rs. **1,37,32,247.96**
- (ii) Outgoing : Rs. **11,38,661.29**

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023**

[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:

- i) CIN : - U 7 4 1 4 0 K A 2 0 0 5 P T C 0 3 5 8 7 8**
- ii) Registration Date: 22.03.2005**
- iii) Name of the Company: VERIFACTS SERVICES PRIVATE LIMITED**
- iv) Category / Sub-Category of the Company: Company Limited by Shares**
- v) Address of the Registered office and contact details: #4007, Hallmark Square, 1st & 2nd floor, 100 ft Road, Indiranagar, HAL 2nd Stage, Bangalore-560038. Tel: 91-80-6782-2222; Fax: 91-80-4151 0771 email: enquiries@verifacts.co.in**
- vi) Whether listed company: NO**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
NONE**

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:-

SI. 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 background verification of facts, collection of information of executives, any person, including companies, firms either directly or through some other parties	74904	100%

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SR. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Modern India Limited 1, Mittalchambers, 228, Nariman Point, Mumbai-400021.	U17120MH1933PLC002031	HOLDING	100%	Under Section 2(46) of the Companies Act, 2013.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

		Category	No of Shares held	Percentage of Shareholding
A		Promoters' holding		
	a	Indian Promoters	5,00,000	100%
	b	Foreign Promoters	-	-
	c	Persons acting in concert	-	-
		Sub-Total (A)	-	-
B		Non-Promoters' Holding		
		Institutional Investors	-	-
	a	Mutual Funds and UTI	-	-
	b	Banks, Financial Institutions, Insurance Companies	-	-
	c	FII's	-	-
		Sub-Total(B)	-	-
C		Others		
	a	Private Corporate Bodies	-	-
	b	Indian Public	-	-
	c	NRIs/OCBs	-	-
		Sub-Total(C)	-	-
D		Any other (Foreign nationals)		
		Grand Total (A)+(B)+(C)	5,00,000	100.00

(ii) Shareholding of Promoters

SR.NO	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHARE HOLDING AT THE END OF THE YEAR			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MODERN INDIA LTD	499996	99.9900	-	499996	99.9900	-	-
3	Vijay Kumar Jatia*	2	0.0004	-	2	0.0004	-	-
4	SidhantJatia*	1	0.0002	-	1	0.0002	-	-
5	MuditJatia*	1	0.0002	-	1	0.0002	-	-
	Total	500000	100.00		500000	100.00	-	-

*Equity shares held as a nominee of Modern India limited

(iii) Change in Promoters' Shareholding

No Change during the year

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

(iv) Shareholding of Directors and Key Managerial Personnel:

Name of the Director	No of shares
Shri. Vijay Kumar Jatia*	2
Shri.SidhantJatia*	1
Shri.MuditJatia*	1

* Nominee of Modern India Limited.

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(v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs.in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	262.97	NIL	NIL	22.76
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	22.76	-	-	22.76
Change in Indebtedness during the financial year				
• Addition	-	Nil	-	-
• Reduction	68.9	NIL	-	----
Net Change		Nil	-	
Indebtedness at the end of the financial year				
i) Principal Amount	194.07	NIL	NIL	----
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	NIL	NIL	NIL	-
Total (i+ii+iii)	----	NIL	NIL	-----

(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Since there is no Managing Director, Whole-time Director and/or manager -No remuneration is applicable.

B. Remuneration to other directors:

Only sitting fees are paid to the Directors of the Company, the details of which are mentioned below

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Vijay Kumar Jatia	S.D.Israni	Ashokraj Birla	Sidhant Jatia	Mudit Jatia	
	Directors						
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	200,000/-	200,000/-	1,20,000/-	1,20,000/-	2000,000/-	840000/-
	Total Managerial Remuneration (Sitting Fees)	200,000/-	200,000/-	1,20,000/-	1,20,000/-	2000,000/-	840000/-
	Overall Ceiling as per the Act			As prescribed under section 197 of the companies act, 2013			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Note: It may be noted that the provisions of section 203 of the Companies Act, 2013 is not applicable however Company has appointed a Chief Executive Officer.

The remuneration details of the Chief Executive Officer are being disclosed

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SR. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			
		CEO in lakhs	Company Secretary N.A	CFO N.A	Total
1.	Gross salary Shri. Rajiv Sharma (August 2022 to March 2023) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	20.16	-	-	20.16
2.	Stock Option				
3.	Sweat Equity				
4.	Commission-as % of Profit others, specify ...				
5.	Others, please specify (Reimbursement of expenses)	1.19			1.19
	Total	21.35			21.35

Note: Shri Somesh Auddy, former Chief Executive Officer received salary of Rs. 24.82 Lakhs and Professional Fees of Rs. 7 Lakhs plus 0.67 Lakhs as reimbursement till 30th July, 2022.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There have been no penalties or punishment levied on the Company and no compounding of offences has been done by the Company.

For and on behalf of the Board of Directors


Vijay Kumar Jatia
Chairman

Mumbai

Date: 19.05.2023

Registered Office: 4007, Hallmark Square, 1ST& 2ND Floor, 100ft Road, Indiranagar, HAL 2ND Stage, Bengaluru-560038.

ANNEXURE-2

FORM NO. AOC.2

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 arms 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

There is no such transaction or arrangements or contacts with Related Parties which were not at arm's length basis during the period under review.

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

Sr. No.	Name(s) of the related Party and nature of relationship	nature of the transaction/contract/arrangement	Duration of the contract/transaction	Salient terms of the contract/arrangement/transaction including the value, if any	Date(s) of the approval by Board, if any	Amount (Rs)
1	M/s.Credwatch information Analytics Pvt Ltd. **(Shri. Vijay Kumar Jatia)	Background verification services	*N.A	-	24.06.2020	RS.12,00,000/- pa

*Agreement for availing and providing Background verification services from M/s. Credwatch information Analytics Pvt Ltd. Is effective from 24.06.2020.

**Shri Vijay Kumar Jatia is director in the above mentioned Company


Vijay Kumar Jatia
Director
DIN:00096977

K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

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Near 6th Main, Malleswaram,
Bengaluru - 560 055. India.
Tel: 91-80-2334 7171 / 23367171 / 2331 1221
www.KSAiyar.com
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INDEPENDENT AUDITORS' REPORT

To the Members of Verifacts Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Verifacts Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statement including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



Office also at
Mumbai Chennai Kolkata
Coimbatore and Hyderabad

Emphasis of Matter

We draw your attention to the footnote to note No. 9 under the Ind AS financial statements, wherein provision is made towards the recovery of outstanding amount of Inter Corporate Deposit (ICD) made to M/s Nine Globe Industries Private Limited. The total outstanding amount to be recovered is Rs 113.27 lakh, including interest. As informed by M/s Nine Globe Industries Private Limited, due to some financial issues, the company was unable to make the payment but was assured of repaying it. As a matter of prudence, the company has not accrued interest income for the financial year 2022-23 of Rs 25.25 lakh. The company is hopeful of recovering the whole ICD amount. However, as a matter of prudence, the Company has made a provision of an aggregate amount of Rs 56.63 lakh (including Rs. 28.32 lakh provided in the previous year) on Rs 113.27 lakh ICD including interest due thereon.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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



financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 A**". 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 the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year, hence the provisions of section 197 of the Act is not applicable.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact the 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.
 - iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) As stated in Note 31 to the financial statements
 - a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.



vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using applicable accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2) As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "**Annexure- B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For K S Aiyar & Co
Chartered Accountants
ICAI Firm's Registration No.100186W

Deepak

Deepak Kamath
Partner
Membership No.218292
UDIN: 23218292BGTNPZ2124

Place: Bengaluru
Date: 22/05/2023



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Verifacts Services Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of VERIFACTS SERVICES PRIVATE LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date. Management's Responsibility for Internal Financial Controls The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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.

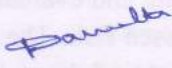
Limitations of Internal Financial Controls Over Financial Reporting

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K S Aiyar & Co
Chartered Accountants
ICAI Firm's Registration No.100186W


Deepak Kamath
Partner
Membership No.218292
UDIN: 23218292BGTNPZ2124

Place: Bengaluru
Date: 22/05/2023



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Verifacts Services Private Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The fixed assets are physically verified by the Management during the year. In our opinion the frequency of such verification is reasonable having regards to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verifications.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year but invested in Mutual Funds and Instruments and given Inter Corporate Deposit (ICD) to M/s Nine Globe Industries Private Limited during the earlier years, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to subsidiary during the year but given Inter Corporate Deposit (ICD)-



(A) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to subsidiaries, joint ventures and associates hence reporting under clause 3(iii)(a)(A) of the Order is not applicable.

(B) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to other entity during year but given Inter Corporate Deposit (ICD) during the earlier years. The details of the same are as below:

Name	Aggregate amount of Inter Corporate Deposit given during the year	Outstanding Balance as on 31 st March, 2023
M/s Nine Globe Industries Private Limited	Nil	Rs Rs113.27 lakh (Including interest due thereon)

(b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of Inter Corporate Deposit (ICD) by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are overdue as on 31st March 2023 in ICD granted to M/s Nine Globe Industries Private Limited.

(d) In respect of ICD granted to M/s Nine Globe Industries Private Limited by the Company, there is overdue amount of Rs Rs113.26 lakh remaining outstanding including interest as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.



vii. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, GST, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, GST, duty of customs, duty of excise, value added tax, cess and other material statutory dues as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of loans taken from the banks. The Company has not taken loans from financial institutions and Government.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year but has taken vehicle loan during the earlier year and balance is outstanding at the beginning of the year. Loan was applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Corporate Social Responsibility (CSR) u/s 135 of the said act not applicable to the Company, accordingly reporting under clause 3(xx) (a) & (b) of the Order is not applicable.

For K S Aiyar & Co
Chartered Accountants
ICAI Firm's Registration No.100186W

Deepak Kamath

Deepak Kamath
Partner
Membership No.218292
UDIN: 23218292BGTNPZ2124

Place: Bengaluru
Date: 22/05/2023



VERIFACTS SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

PARTICULARS	Note No.	As at	
		31st March, 2023	31st March, 2022
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment's	2 (a)	42.01	35.63
(b) Intangible assets	2 (b)	62.50	161.57
(c) Right to use Assets	2 (c)	426.29	338.31
(d) Capital Work in Progress	2 (d)	48.45	-
(e) Financial assets			
(i) Investments	3	978.89	773.40
(ii) Other financial assets	4	52.89	44.85
(f) Deferred tax assets (Net)	5	44.04	20.45
(g) Current Tax Assets (Net)	6	148.89	225.18
		1,803.96	1,599.39
(2) CURRENT ASSETS			
(a) Financial assets			
(ia) Trade receivables - Billed	7 (a)	331.57	528.45
(ib) Trade receivables - Unbilled	7 (b)	98.56	51.01
(ii) Cash and cash equivalents	8 (a)	1.55	2.85
(iii) Bank balances other than (ii) above	8 (b)	8.41	7.97
(iv) Loans	9	56.63	84.95
(b) Other current assets	10	42.08	27.98
		538.80	703.21
TOTAL		2,342.76	2,302.60
II. EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	11	50.00	50.00
(b) Other Equity	12	1,201.61	1,137.68
		1,251.61	1,187.68
(2) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	13	1.63	6.49
(ii) Lease Liabilities	16 (a)	389.16	325.81
(b) Provisions	14 (a)	89.13	92.03
		479.92	424.33
(3) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	192.45	256.49
(ii) Trade payables	16 (b)	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		125.03	203.90
(iii) Other financial liabilities	16 (c)	116.52	110.71
(iv) Lease Liabilities	16 (d)	102.25	69.42
(b) Other current liabilities	17	67.41	45.86
(c) Provisions	14 (b)	7.57	4.21
		611.23	690.59
Significant Accounting Policies & Notes on Accounts	1 to 39		
TOTAL		2,342.76	2,302.60

As per our report attached on even date

For K.S. Aiyar & Co.

Chartered Accountants

ICAI Firm's Registration number-100186W



Deepak Kamath

Partner


Membership Number: 218292

Place: Bengaluru

Date: 22 MAY 2023



For and on behalf of the Board


Vijaykumar M Jatia
Chairman
DIN:00096977


Mudit V Jatia
Director
DIN:0019201


Rajiv Sharma
CEO




Place: Mumbai

Date: 11 9 MAY 2023

VERIFACTS SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2023
(All amounts are in Rs Lakhs, unless otherwise stated)

	PARTICULARS	Note No.	Year ended	Year ended
			31st March, 2023	31st March, 2022
I.	Revenue from Operations	18	2,409.72	2,049.47
II.	Other Income	19	88.96	105.79
III.	Total (I + II)		2,498.68	2,155.26
IV.	Expenses:			
(a)	Employee benefits expenses	20	1,401.22	1,146.72
(b)	Finance Cost	21	50.78	59.45
(c)	Depreciation and Amortization expenses	2(a),(b),(c)	218.81	141.56
(d)	Other expenses	22	722.46	652.78
	Total		2,393.27	2,000.51
V.	Profit before Tax		105.41	154.75
VI.	Tax expense:	23		
(1)	Current Tax		47.40	26.50
(2)	Deferred Tax		(25.45)	13.13
(3)	Tax Adjustments of prior years (Net)		0.08	(8.15)
VII.	Profit after tax		83.38	123.27
VIII.	Other comprehensive income			
	Items that will not be recycled to profit or loss			
(i)	Remeasurements of the defined benefit liabilities / (asset)		7.41	(1.35)
(ii)	Income tax relating to remeasurements of the defined benefit liabilities / (asset)		(1.87)	0.34
IX.	Total comprehensive income for the year		88.93	122.26
X.	Earnings per Equity Share	24		
(1)	Basic		16.68	24.65
(2)	Diluted		16.68	24.65
	Significant Accounting Policies & Notes on Accounts	1 to 39		

As per our report attached on even date
For K.S. Aiyar & Co.
Chartered Accountants
ICAI Firm's Registration number-100186W


Deepak Kamath
Partner
Membership Number: 218292



Place: Bengaluru
Date: 22 MAY 2023




For and on behalf of the Board


Vijaykumar M Jatia
Chairman
DIN:00096977


Mudit V Jatia
Director
DIN:00192012


Rajiv Sharma
CEO

Place: Mumbai
Date: 19 MAY 2023

VERIFACTS SERVICES PRIVATE LIMITED		
Cash flow statement for the year ended 31st March, 2023		
(All amounts are in Rs Lakhs, unless otherwise stated)		
Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash flows from operating activities		
Profit before tax for the year	105.41	154.75
Adjustments for:		
Depreciation and amortisation Expenses	114.86	47.89
Amortisation as per IND AS 116	103.95	93.67
Interest Charges as per IND AS 116	38.37	37.46
Finance costs recognised in profit or loss	12.41	21.99
(Profit)/Loss on sale of property, plant and equipment's	(0.01)	(0.06)
Net (gain)/loss on sale/fair valuation of investments through profit and loss	(25.71)	(59.93)
Interest Income	(18.19)	(15.29)
Provision for Debtors	0.59	9.10
Provision for Loan	28.32	28.32
Bad Debts	7.29	-
Provision W/back	-	(29.74)
Remeasurements of net defined benefit plans	7.41	(1.35)
	374.70	286.81
Movements in working capital:		
(Increase)/decrease in trade receivables	141.45	(178.57)
(Increase)/decrease in Other receivable	(8.04)	(1.20)
(Increase)/decrease in Other Assets	(14.10)	(2.45)
Increase/(decrease) in trade and other payables	(78.87)	100.63
Increase/(decrease) in provisions	0.47	36.97
Increase/(decrease) in Other Liabilities	27.33	3.59
Cash generated from operations	442.94	245.78
Income taxes paid (net of refunds)	28.82	(172.43)
Net cash generated by operating activities	471.76	73.35
Cash flows from investing activities		
Sale proceeds of property, plant and equipment	1.47	0.29
Payments for property, plant and equipment	(23.63)	(11.80)
Payments for Intangible assets	-	(185.81)
Payments for Capital Work in Progress	(48.45)	104.77
Interest received	18.19	15.29
Sale/(Purchase) of non current investments	(179.78)	(64.25)
Inter corporate Deposit given	-	2.00
Fixed deposit with Banks	(0.43)	(7.25)
Net cash (used in)/generated by investing activities	(232.63)	(146.76)
Cash flows from financing activities		
Payment of Lease Liabilities	(134.12)	(121.93)
(Repayment)/Proceeds from Current borrowings (net)	0.73	0.33
(Repayment)/Proceeds from Non-Current borrowings (net)	(4.86)	(3.84)
Dividend Paid	(25.00)	(25.00)
Interest paid	(12.41)	(21.99)
Net cash used in financing activities	(175.66)	(172.43)
Net increase in cash and cash equivalents	63.47	(245.84)
Cash and cash equivalents at the beginning of the year	(249.83)	(3.99)
Cash and cash equivalents at the end of the year	(186.36)	(249.83)
Cash and cash equivalents	1.55	2.85
Loans repayable on demand (Refer Note 15)	(187.91)	(252.68)
	(186.36)	(249.83)
As per our report attached on even date		
For K.S. Aiyar & Co.		
Chartered Accountants		
ICAI Firm's Registration number-100186W		
		
Deepak Kamath Partner Membership Number: 218292	Vijaykumar M Jatia Chairman DIN:00096977	Mudit V Jatia Director DIN:00192012
Place: Bengaluru	Place: Mumbai	Rajiv Sharma CEO
Date: 12 2 MAY 2023	Date: 1 9 MAY 2023	

VERIFACTS SERVICES PRIVATE LIMITED

Statement of changes in Equity for the Year ended March 31st 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

a. Equity share capital

Particulars	Number	₹ in Lakhs
Issued and Paid up Capital as at April 1, 2021	5,00,000	50.00
Changes in equity share capital	-	-
Balance As at 31st March, 2022	5,00,000	50.00
Changes in equity share capital	-	-
Balance As at 31st March, 2023	5,00,000	50.00

b. Other Equity

Particulars	General reserve	Retained earnings	Other Comprehensive Income	TOTAL
Opening Balance as at 1st April 2021	11.37	1,015.14	13.91	1,040.42
Profit for the year	-	123.27	-	123.27
Other Comprehensive income for the year	-	-	(1.01)	(1.01)
Dividend on Equity Shares	-	(25.00)	-	(25.00)
Balance 31st March, 2022	11.37	1,113.41	12.90	1,137.68
Opening Balance as at 1st April 2022	11.37	1,113.41	12.90	1,137.68
Profit for the year	-	83.38	-	83.38
Other Comprehensive income for the year	-	-	5.55	5.55
Dividend on Equity Shares	-	(25.00)	-	(25.00)
Balance As at 31st March, 2023	11.37	1,171.79	18.44	1,201.61

As per our report attached on even date
For K.S. Aiyar & Co.
 Chartered Accountants
 ICAI Firm's Registration number-100186W

Deepak Kamath

Deepak Kamath
 Partner
 Membership Number: 218292



Place: Bengaluru
 Date: 12 2 MAY 2023

For and on behalf of the Board

Vijaykumar M Jatia
Vijaykumar M Jatia
 Chairman
 DIN:00096977

Mudit V Jatia
Mudit V Jatia
 Director
 DIN:00192012

Rajiv Sharma
Rajiv Sharma
 CEO

Place: Mumbai
 Date: 1 9 MAY 2023

VERIFACTS SERVICES PRIVATE LIMITED
Note No. 1 : SIGNIFICANT OF ACCOUNTING POLICIES

I. Company Information

Verifacts Services Private Limited (the company) was incorporated on 22nd March, 2005 as a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is providing service in the field of back ground verification, IT Services and allied services to companies, organizations and institutions, across all segments of public and private sectors.

II. Significant Accounting Policies followed by the Company

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

A Basis of Preparation of Financial Statement :

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

B Basis of measurement

The financial statements have been prepared on a historical cost basis and accrual basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans.

C Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

D Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs (INR 00,000), except when otherwise indicated.

E Key Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that effect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations - Note 28
- (b) Recognition of deferred Tax Assets / Liabilities - Note 23

F Property, plant and equipment

The Company has applied the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

i) Tangible Assets ;

Tangible Assets are stated at the cost of acquisition including the expenses relating to acquisition, erection, construction, and interest up to the date of installation/ completion of construction of the assets less accumulated depreciation and impairment, if any.

ii) Intangible Assets ;

Intangible assets acquired separately are stated at cost. Intangible assets are carried at cost less accumulated amortisation. Internally generated intangible assets are not capitalised.



L



VERIFACTS SERVICES PRIVATE LIMITED
Note No. 1 : SIGNIFICANT OF ACCOUNTING POLICIES

Depreciation/Amortisation:

i) Tangible Assets ;

Depreciation is provided on a pro-rata basis on written down value method at the rate and in the manner specified in Schedule II to the Companies Act, 2013.

ii) Intangible Assets ;

Trade logo are amortised on a straight line basis and the computer software on written down value method over the estimated useful economic life. The Company uses a rebuttable presumption that the useful economic life of an intangible asset will not exceed 3 years from the date when the asset is available for use. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

G Ind AS 116 – Leases

Effective April 1, 2019 the company has adopted Ind AS 116 - Leases, which requires any lease arrangement to be recognised in the balance sheet of the lessee as a 'right-of-use' asset with a corresponding lease liability. As permitted by the standard, the company has applied the standard to its leases on a prospective basis w.e.f. April 1, 2019 and comparatives for the previous period / year have not restated. Accordingly depreciation has been charged on such assets as against lease rental expenses in the previous year. Similarly interest expense has been recognised on lease liabilities under finance cost.

H Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I Revenue Recognition:

All income arising from Back Ground Verification service to various IT and non IT sectors and interest earning on deposits is accounted on accrual basis.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

J Employee Benefit:

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

(i) The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

(ii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

(iii) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

(iv) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. The Company has no obligation other than the contribution payable to the provident fund.

Leave Encashment

The Company has a policy on Leave Encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.



VERIFACTS SERVICES PRIVATE LIMITED
Note No. 1 : SIGNIFICANT OF ACCOUNTING POLICIES

K Foreign Currency Transactions :

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

L Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments. Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.



De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently remeasured.

Where the terms of a financial liability is renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(iii) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.



VERIFACTS SERVICES PRIVATE LIMITED
Note No. 1 : SIGNIFICANT OF ACCOUNTING POLICIES

M Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

N Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

O Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

P Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

Q Earning Per Share :

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

R Provisions And Contingencies :

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.



VERIFACTS SERVICES PRIVATE LIMITED
Note No. 1 : SIGNIFICANT OF ACCOUNTING POLICIES

S Impairment Of Assets :

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

T Deferred tax assets :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences 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 assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and 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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

U Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

V Cash Flow Statement :

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

W Events after Reporting date :

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

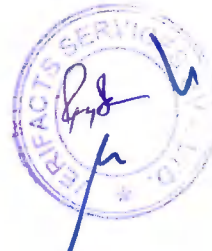
(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 2(a) Property, Plant And Equipment's

Description of Assets	Tangible Asset			Total
	Plant and Equipment	Furniture and Fixtures	Vehicles - Freehold	
Gross Carrying amount				
Opening as at 1st April, 2021	150.13	11.45	20.71	182.29
Additions	11.80	-	-	11.80
Disposals	(2.02)	-	-	(2.02)
Balance As at 31st March, 2022	159.91	11.45	20.71	192.07
Opening as at 1st April, 2022	159.91	11.45	20.71	192.07
Additions	23.20	0.43	-	23.63
Disposals	(8.15)	(3.13)	-	(11.28)
Balance As at 31st March, 2023	174.96	8.75	20.71	204.42
Accumulated depreciation				
Opening as at 1st April, 2021	125.93	7.87	7.52	141.32
Depreciation / amortisation expense for the year	12.57	0.93	3.41	16.91
Depreciation on Disposal	(1.78)	-	-	(1.78)
Balance As at 31st March, 2022	136.72	8.80	10.93	156.44
Opening as at 1st April, 2022	136.72	8.80	10.93	156.44
Depreciation / amortisation expense for the year	12.67	0.59	2.53	15.79
Depreciation on Disposal	(7.28)	(2.54)	-	(9.82)
Balance As at 31st March, 2023	142.11	6.85	13.46	162.41
Net Carrying amount				
Balance As at 31st March, 2022	23.19	2.65	9.78	35.63
Balance As at 31st March, 2023	32.85	1.90	7.25	42.01

Note No: 2(b) Intangible Assets

Description of Assets	Intangible Asset		
	Trade Logo	Computer Software	Total
Gross Carrying amount			
Opening as at 1st April, 2021	3.10	79.40	82.50
Additions	-	185.81	185.81
Disposals	-	-	-
Balance As at 31st March, 2022	3.10	265.21	268.31
Opening as at 1st April, 2022	3.10	265.21	268.31
Additions	-	-	-
Disposals	-	-	-
Balance As at 31st March, 2023	3.10	265.21	268.31
Accumulated depreciation			
Opening as at 1st April, 2021	2.93	72.83	75.76
Depreciation / amortisation expense for the year	-	30.98	30.98
Depreciation on Disposal	-	-	-
Balance As at 31st March, 2022	2.93	103.81	106.74
Opening as at 1st April, 2022	2.93	103.81	106.74
Depreciation / amortisation expense for the year	-	99.07	99.07
Depreciation on Disposal	-	-	-
Balance As at 31st March, 2023	2.93	202.88	205.81
Net Carrying amount			
Balance As at 31st March, 2022	0.17	161.40	161.57
Balance As at 31st March, 2023	0.17	62.33	62.50



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 2(c) Property, Plant And Equipment's - Right To Use Assets

Description of Assets	Assets under Lease
Gross Carrying amount	
Opening as at 1st April, 2021	560.79
Additions	43.02
Disposals	-
Balance As at 31st March, 2022	603.81
Opening as at 1st April, 2022	603.81
Additions	204.24
Disposals	(12.31)
Balance As at 31st March, 2023	795.74
Accumulated depreciation	
Opening as at 1st April, 2021	171.83
Amortisation expense for the year	93.67
Balance As at 31st March, 2022	265.50
Opening as at 1st April, 2022	265.50
Amortisation expense for the year	103.95
Balance As at 31st March, 2023	369.45
Net Carrying amount	
Balance As at 31st March, 2022	338.31
Balance As at 31st March, 2023	426.29

Note No: 2(d) Capital work-in-progress:

Description of Assets	Capital work-in-progress
Gross Carrying amount	
Opening as at 1st April, 2021	-
Additions	-
Disposals	-
Balance As at 31st March, 2022	-
Opening as at 1st April, 2022	-
Additions	48.45
Disposals	-
Balance As at 31st March, 2023	48.45

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Description	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	48.45	-	-	-	48.45
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Description	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023
(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 3 Investments - Non Current

Particulars		As at 31st March, 2023	As at 31st March, 2022
Designated as Fair Value Through Profit and Loss			
Quoted Investment			
Investment in Instruments			
India Grid InvIT 49,329 Units (PY: 49,329 Units)		66.10	72.83
IRB Invit 1,00,000 Units (PY: 1,00,000 Units)		67.64	52.43
Powergrid Infrastructure Investment Trust 9,900 Units (PY: 9,900 Units)		12.14	13.30
Unquoted Investment			
Investment in Mutual Funds			
ABSL Banking & PSU Debt Fund DP - Growth 34,272.181 Units (PY: 34,272.181 Units)#		109.19	104.30
ABSL Corporate Bond Fund DP - Growth 19,452.402 Units (PY: 19,452.402 Units)#		18.60	17.74
Franklin India Prima Fund DP - Growth Nil Units (PY: 3,304.354 Units)		-	51.53
HDFC Top 100 Fund DP - Growth 5,998.129 Units (PY: 5,998.129 Units)		47.16	44.15
Bharat Bond FOF- April 2031- Direct Plan Growth 6,72,968.209 Units (PY: Nil Units)		75.00	-
Nippon India Nifty AAA CPSE Bond Plus SDL-Apr 2027 Maturity 60:40 Index Fund - Direct Growth Plan 24,30,697.359 Units (PY: Nil Units)		250.45	-
Invesco India Focused 20 Equity Fund - Direct Plan - Growth 3,48,414.635 Units (PY: 3,48,414.635 Units)		50.90	54.67
Bandhan Banking and PSU Debt Fund- DP-Growth (Formerly known as IDFC Banking & PSU Debt Fund DP - Growth) 4,09,154.589 Units (PY: 4,09,154.589 Units)#		87.37	83.46
IDFC Dynamic Bond Fund DP- Growth Nil Units (PY: 3,99,475.529 Units)		-	121.39
Canara Robeco Flexi Cap Fund-Direct Growth(DVDG) 16,492.583 Units (PY: Nil Units)		39.06	-
Kotak Bluechip Fund-Direct Plan-Growth (Erstwhile Kotak 50 Scheme) 7,178.973 Units (PY: Nil Units)		29.86	-
L&T Midcap Fund DP - Growth Nil Units (PY: 16,446.450 Units)		-	36.41
HSBC Corporate Bond Fund - Growth (Formerly known as L&T Triple Ace Bond Fund DP - Growth) 1,92,789.016 Units (PY: 1,92,789.016 Units)#		125.42	121.19
		978.89	773.40

Aggregate amount of quoted investments and market values there off Rs. 978.89 Lakhs (Previous year Rs 773.40 Lakhs).

Note No. 3 (a) # Lien for Bank Overdraft against Securities facility with ICICI Bank Limited.

Note No: 4 Other financial assets - Non Current

Particulars		As at 31st March, 2023	As at 31st March, 2022
(a)	Security Deposits - Unsecured considered good	52.89	44.85
		52.89	44.85

Note No: 5 Deferred Tax Assets (Net)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Assets			
i	Difference between Net Block of Fixed Assets	16.47	8.35
ii	Gratuity & Leave Encashment Provision	24.34	24.22
iii	Leases	16.39	14.32
iv	Others	16.69	9.42
	Total (A)	73.89	56.31
Deferred Tax Liability			
i	Others	29.85	35.86
	Total (B)	29.85	35.86
	Deferred Tax Assets/(Liabilities) (Net) (A-B)	44.04	20.45



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 6 Current tax assets (net) - Non Current

	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Income Tax payments including Tax Deducted at Source (Net of Provision for Tax of Rs. 47.40 Lakhs (Previous Year Rs. 26.50 Lakhs))	148.89	225.18
		148.89	225.18

Note No: 7 (a) Trade Receivables - Billed

	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Considered Good - Unsecured	331.57	528.45
	Considered Doubtful - Unsecured	9.69	9.10
	Less: Allowance for doubtful trade receivables	(9.69)	(9.10)
		331.57	528.45

Refer Note No. 7(a)(i) for Debtors Ageing

Note No: 7 (b) Trade Receivables - Unbilled

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(b)	Unbilled revenue receivable	98.56	51.01
		98.56	51.01

Note No: 8 (a) Cash and Cash Equivalents

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Balances with Banks in current account	0.51	2.31
(b)	Cash on Hand	1.04	0.54
		1.55	2.85

Note No: 8 (b) Bank balances other than cash and cash equivalents

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Fixed Deposit With BOI Against Bank Guarantee to GST Tender for Verification.	0.81	0.76
(b)	Fixed Deposit With ICICI Bank Deposits are given as lien against Short Term Borrowings.	7.60	7.21
		8.41	7.97

Note No: 9 Loans

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Inter Corporate Deposit (*) - Unsecured considered good	56.63	84.95
(b)	Inter Corporate Deposit (*) - Doubtful	56.63	28.32
(c)	Less: Allowances for Doubtful ICD	(56.63)	(28.32)
		56.63	84.95

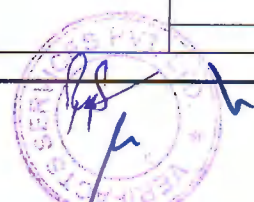
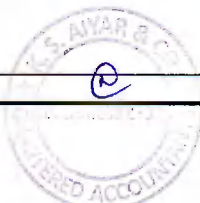
Unsecured considered good

(*)	Name of the Company	Nature	Purpose	Amount	Amount
	Nine Globe Industries P. Ltd #	Unsecured	Working Capital	16%	113.27

The Inter Corporate Deposit ICD given to Nine Globe Industries Pvt Ltd including interest thereon amounts to Rs. 113.27 Lakhs was overdue. As informed by Nine Globe there were some financial issues going on in the company due to which they were unable to make the payment but they have assured us of making payment. As a matter of prudence company has not accrued interest income for the financial year 2022-23 of Rs 25.25 Lakhs. The company has already made a provision of 25% in the year 21-22 amounting to Rs. 28.32 Lakhs. As per assurance received from Nine Globe, the management is hopeful of recovering the ICD amount. But as a matter of prudence the management has considered an additional provision of 25% amounting to Rs. 28.32 Lakhs on ICD amount for the year ended 31st March, 2023. The total provision made in the books till 31.03.23 amounts to Rs. 56.64 Lakhs.

Note No: 10 Other Current Assets

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Deferred Lease	10.77	9.39
(b)	Advances to supplier	4.71	3.56
(c)	Prepaid expenses	26.53	10.79
(d)	Balances with government authorities	-	4.24
(e)	Advances to Employees	0.07	-
		42.08	27.98



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No. 7(a)(i) :- Trade Receivables Ageing for current year

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	331.39	0.18	-	-	-	331.57
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	3.66	1.60	4.13	0.30	-	9.69
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	335.05	1.78	4.13	0.30	-	341.26
Less: Allowance for doubtful trade receivables						(9.69)
Total Trade Receivables - Billed						331.57

Note No. 7(a)(i) :- Trade Receivables Ageing for previous year

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	516.31	9.48	2.37	0.29	-	528.45
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	0.04	2.63	3.41	3.02	-	9.10
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	516.35	12.11	5.78	3.31	-	537.55
Less: Allowance for doubtful trade receivables						(9.10)
Total Trade Receivables - Billed						528.45

Note No. 16(b)(i) :- Trade Payable Ageing for current year

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	123.99	1.01	0.03	-	-	125.03
Disputed dues (MSMEs)	-	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-	-
Total	123.99	1.01	0.03	-	-	125.03

Note No. 16(b)(i) :- Trade Payable Ageing for previous year

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	197.15	6.15	0.26	0.20	0.14	203.90
Disputed dues (MSMEs)	-	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-	-
Total	197.15	6.15	0.26	0.20	0.14	203.90



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 11 Equity

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
	Nos.	₹	Nos.	₹
(a) Share Capital				
Authorized:				
10,00,000 Equity Shares of ₹ 10 each	10,00,000	100.00	10,00,000	100.00
		100.00		100.00
Issued:				
5,00,000 Equity Shares of ₹ 10 each	5,00,000	50.00	5,00,000	50.00
		50.00		50.00
Subscribed & Fully Paid up:				
5,00,000 Equity Shares of ₹ 10 each	5,00,000	50.00	5,00,000	50.00
		50.00		50.00
Total		50.00		50.00

(a) Reconciliation of the number of shares outstanding

Particulars	Equity Shares			
	As at 31st March, 2023		As at 31st March, 2022	
	Nos.	₹	Nos.	₹
Shares outstanding at the beginning of the year	5,00,000	50.00	5,00,000	50.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,00,000	50.00	5,00,000	50.00

(b) Rights, preferences, and restriction attached to shares.

The company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except, in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount, in the proportion of their shareholding.

(c) Details of Share Holders holding more than 5%

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Nos. of Shares held	% of Holding	Nos. of Shares held	% of Holding
Modern India Limited	5,00,000	100.00%	5,00,000	100.00%

(d) Details of Shareholding of Promoter

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Nos. of Shares held	% of Holding	Nos. of Shares held	% of Holding
Modern India Limited	5,00,000	100.00%	5,00,000	100.00%

No change in % Shareholding year-over-year



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 12 Other Equity

Particulars	General reserve	Retained earnings	Other Comprehensive Income	Total
Opening Balance as at 1st April, 2021	11.37	1,015.14	13.91	1,040.42
Profit for the year	-	123.27	-	123.27
Other Comprehensive income for the year	-	-	(1.01)	(1.01)
Dividend on Equity Shares	-	(25.00)	-	(25.00)
Balance As at 31st March, 2022	11.37	1,113.41	12.90	1,137.68
Opening Balance as at 1st April, 2022	11.37	1,113.41	12.90	1,137.68
Profit for the year	-	83.38	-	83.38
Other Comprehensive income for the year	-	-	5.55	5.55
Dividend on Equity Shares	-	(25.00)	-	(25.00)
Balance As at 31st March, 2023	11.37	1,171.79	18.44	1,201.61

General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the P&L.

Retained earnings: Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity.



VERIFACTS SERVICES PRIVATE LIMITED
Notes to the financial statements for the Year ended 31st March 2023
(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 13 Long Term Borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured:		
Federal Bank Limited	1.63	6.49
(No Car loan was taken during the year, In the FY 2019-20 one car finance loan was taken from Bank repayable in 60 monthly instalments with interest @ 9.16% per annum and the last instalment is due in Sep-2024. This loan is secured by hypothecation of specific vehicles acquired.)		
Total Long Term Borrowings	1.63	6.49

Note No: 14 (a) Provisions - Non current

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits		
Gratuity (Unfunded)	72.87	72.75
Leave Encashment (Unfunded)	16.26	19.28
	89.13	92.03

Note No: 14 (b) Provisions - Current

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits		
Gratuity (Unfunded)	5.70	2.78
Leave Encashment (Unfunded)	1.87	1.43
	7.57	4.21

Note No: 15 Short Term Borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured:		
Loan Repayable on Demand From Banks		
(a) ICICI Bank Limited	183.79	247.81
(Secured by Lien on Investments in Mutual Fund. The rate of interest is 7.50% to 8.50% Per Annum (Previous year 7.50% to 8.50% Per Annum))#		
(b) ICICI Bank Limited - Overdraft against FD	4.12	4.87
(Secured by Lien on Fixed Deposit. The rate of interest is 7.50% to 8.50% Per Annum (Previous year 7.50% to 8.50% Per Annum))#		
(c) Current Maturities of Loan Term Borrowings*	4.54	3.81
Total Short Term Borrowings	192.45	256.49

Refer Note No. 3 (a)

* (During the financial year 2019-20, one car finance loan was taken from Bank repayable in 60 monthly instalments with interest @ 9.16% per annum and the last instalment is due in Sep-2024. This loan is secured by hypothecation of specific vehicles acquired.)



VERIFACTS SERVICES PRIVATE LIMITED
Notes to the financial statements for the Year ended 31st March 2023
 (All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 16 (a) Other financial liabilities - Non Current

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Lease Liabilities - As per IND AS 116	389.16	325.81
	389.16	325.81

Note No: 16 (b) Trade Payables

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Undisputed		
Total outstanding dues of Micro and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	125.03	203.90
Disputed		
Total outstanding dues of Micro and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	-	-
	125.03	203.90

Refer Note No. 16(b)(i) for Creditors Ageing
 # Refer Note No. 26

Note No: 16 (c) Other financial liabilities - Current

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Other Payables	116.52	110.71
	116.52	110.71

Note No: 16 (d) Lease Liabilities

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Lease Liabilities - As per IND AS 116	102.25	69.42
	102.25	69.42

Note No: 17 Other Current Liabilities

Particulars	As at	As at
	31st March, 2023	31st March, 2022
(a) Advances Received	19.72	0.64
(b) Other payables - Statutory Dues	47.69	45.22
(e) Overdrawn Bank Balances	-	-
	67.41	45.86



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 18 Revenue from Operations

Particulars	Year ended	Year ended
	31st March, 2023	31st March, 2022
Revenue from Operations	2,409.72	2,049.47
	2,409.72	2,049.47

Note No: 19 Other Income

Particulars	Year ended	Year ended
	31st March, 2023	31st March, 2022
Interest on deposits	3.31	2.48
Interest on income tax refund	18.65	0.14
Interest on Investments	11.84	10.27
Interest Income - MSMED	0.00	0.00
Gain on sale of Investments	49.61	-
Dividend income	0.36	0.60
Miscellaneous income	2.14	0.03
Fair value gain on financial instruments at FVTPL	-	59.93
Interest on Financial Assets at Amortised Cost	3.04	2.54
Provision for Doubtful Debts W/back	-	29.74
Profit on sale of Property, Plant & Equipment's (Net)	0.01	0.06
	88.96	105.79

Note No: 20 Employees Benefit Expenses:

Particulars	Year ended	Year ended
	31st March, 2023	31st March, 2022
Salaries Wages & Bonus	1,257.65	1,002.52
Contribution to Provident and other funds	91.34	85.85
Gratuity	31.37	23.95
Leave Salary	5.71	26.40
Staff Welfare Expenses	15.15	8.00
	1,401.22	1,146.72

Note No: 21 Finance Cost:

Particulars	Year ended	Year ended
	31st March, 2023	31st March, 2022
Interest on Bank Loans	12.41	21.99
Interest Charges as per IND AS 116	38.37	37.46
	50.78	59.45



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No: 22 Other Expenses:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Verification Charges Paid	335.59	329.58
Travelling & Conveyance	30.90	6.85
Telephone & Internet Charges	46.42	25.61
Electricity Charges	29.07	24.24
Rent Paid ₹ 135.72 Lakhs/- (Previous year ₹ 123.12 Lakhs) [Net of Adjustment towards IND AS116 - ₹ 130.73 Lakhs/- (Previous year ₹ 119.29 Lakhs)]	5.00	3.83
Repairs & Maintenance		
Plant & Machinery	5.21	3.77
Building	1.85	0.50
Others	2.57	0.13
Insurance	3.96	3.07
Rates and Taxes	8.88	7.16
Legal and Professional Charges	26.44	35.15
Business Support Services (Paid to Holding Company)	78.00	78.00
Donation	3.35	4.05
Directors Sitting Fees (Includes ₹8.40 Lakhs/- (PY ₹7.60 Lakhs/-) paid to Related Party)	8.40	7.60
Payment to Auditors:		
For Statutory Audit	3.00	3.00
For Tax Audit	1.00	1.00
For Certification	0.75	0.75
Advertisement and Business Promotion Expenses	12.37	11.35
Loss on Foreign Exchange (net)	1.50	0.01
Bank Charges	0.95	0.87
Membership Fees & Subscription fees	23.41	16.62
Office Expenses	22.50	18.32
Printing & Stationery	0.99	1.04
Office Shifting Expenses	0.17	-
Commission and Brokerage Charges	3.65	-
Fair value loss on financial instruments at FVTPL	23.90	-
Bad Debts Written Off	7.29	29.04
Provision for Bad and Doubtful Debts	0.59	9.10
Provision for Bad and Doubtful Loans & Advances	28.32	28.32
Miscellaneous Expenses	6.43	3.81
	722.46	652.78



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No. 23 :- Current Tax and Deferred Tax

(a) Income Tax recognised in profit and loss

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Tax:		
Current tax on taxable income of the year	47.40	26.50
Deferred Tax		
Deferred tax Charge / (credit)	(25.45)	13.13
Total Tax Expense recognised in profit and loss account	21.95	39.63

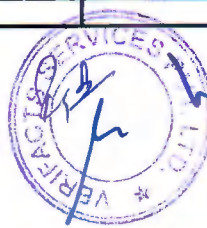
(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :-

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit Before tax from Continuing Operations	105.41	154.75
Enacted income tax rate in India applicable to the company -	25.17%	25.17%
Income Tax using the Company's domestic Tax rate #	26.53	38.95
Tax Effect of :		
Dividend Income / Tax Free Income	-	-
Tax Free Expenses	-	-
Effect of change in Employee benefits	-	-
Effect of change in rate of income tax	-	-
Effect of change in Depreciation	-	-
Effect of change in Leases	-	-
Others	(4.58)	0.68
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	21.95	39.63
	21.95	39.63

(c) Movement of Deferred Tax

Particulars	Opening Balance as at 1st April, 2022	Recognised in profit and Loss in 2022- 23	Recognised in OCI in 2022-23	Closing Balance as on 31st March, 2023
Tax effect of items constituting deferred tax liabilities				
Other item	35.86	(6.02)	-	29.84
	35.86	(6.02)	-	29.84
Tax effect of items constituting deferred tax assets				
Employee Benefits	24.22	1.98	(1.87)	24.33
Depreciation	8.35	8.12	-	16.47
Leases	14.32	2.07	-	16.39
Others	9.42	7.27	-	16.69
	56.31	19.44	(1.87)	73.88
Net Tax Asset / (Liabilities)	20.45	25.46	(1.87)	44.04

Particulars	Opening Balance as at 1st April, 2021	Recognised in profit and Loss in 2021- 22	Recognised in OCI in 2021-22	Closing Balance as on 31st March, 2022
Tax effect of items constituting deferred tax liabilities				
Other item	-	35.86	-	35.86
	-	35.86	-	35.86
Tax effect of items constituting deferred tax assets				
Employee Benefits	14.92	8.96	0.34	24.22
Depreciation	12.18	(3.83)	-	8.35
Leases	12.01	2.31	-	14.32
Others	14.91	(5.49)	-	9.42
	54.02	1.95	0.34	56.31
Net Tax Asset / (Liabilities)	54.02	(33.91)	0.34	20.45



VERIFACTS SERVICES PRIVATE LIMITED
Notes to the financial statements for the Year ended 31st March 2023
(All amounts are in Rs Lakhs, unless otherwise stated)
Note No: 24 Earning Per Share:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Earning Per Share has been calculated as under:		
(a) Profit After Taxation and Exceptional Items	83.38	123.27
(b) Number of Equity Shares Outstanding (Face Value ₹ 10/-)	5,00,000.00	5,00,000.00
(c) Earning per Share in (Face Value of ₹ 10/- per share) - (a) / (b) (Basic and diluted)	16.68	24.65

Note No: 25 Contingent Liability and Commitments:

Contingent Liability	As at 31st March, 2023	As at 31st March, 2022
Bank Guarantee	0.56	0.56

Capital & Other Commitments:

Estimated Value of Contracts on Capital Account remaining to be executed and not provided for (Net of Capital Advances) is ₹ Nil (Previous year ₹ 17.57 Lakhs)

Note No: 26 Details of dues to Micro and Small Enterprises as required under section 22 of MSMED Act, 2006.

There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at the Balance Sheet date. Further, the Company has not paid any interest to any Micro and Small Enterprise during the accounting year, nor is any interest payable to any Micro and Small Enterprise as at the Balance Sheet Date. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the Auditors.

Note No: 27 Related Party Disclosures as per Ind AS 24
i Related Parties and Relationships:
Holding Company :

Modern India limited

Key Management Personnel & Relatives :

- (a) Mr. Vijaykumar Jatia - Director
 (b) Mr. Shivkumar Israni - Director
 (c) Mr. Ashokraj Birla - Director
 (d) Mr. Sidhant Jatia - Director
 (e) Mr. Mudit Jatia - Director
 (f) Mr. Somesh Auddy - C.E.O. (Resigned w.e.f 31.07.2022)
 (g) Mr. Rajiv Sharma - C.E.O. (Appointment w.e.f 16.08.2022)

ii	Related Party Transactions:	2022-23	2021-22
a	Directors Sitting Fees		
	Mr. Vijaykumar Jatia	2.00	1.60
	Mr. Shivkumar Israni	2.00	1.60
	Mr. Ashokraj Birla	1.20	1.20
	Mr. Sidhant Jatia	1.20	1.60
	Mr. Mudit Jatia	2.00	1.60
b	Salary Paid		
	Mr. Somesh Auddy	24.82	74.36
	Mr. Somesh Auddy (Reimbursement of Expenses)	0.67	2.01
	Mr. Rajiv Sharma	20.16	-
	Mr. Rajiv Sharma (Reimbursement of Expenses)	1.19	-
c	Professional Fees		
	Mr. Somesh Auddy		
d	Business Support Services paid		
	Modern India Limited	78.00	78.00
e	Dividend Paid :		
	Modern India Limited	25.00	25.00
f	Short Term Loan received and repaid		
	Modern India Limited	-	300.00
e	Sale of Services		
	Modern India Limited	0.16	-
g	Interest on Loan		
	Modern India Limited	-	4.52
iii	Outstanding Balances:		
a	Sundry Creditors		
	Modern India Limited	-	35.10
b	Other current liabilities - Employee benefits payable		
	Mr. Somesh Auddy	-	2.74
	Mr. Rajiv Sharma	3.78	-



VÉRIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No. 28 Employee Benefit Obligations

A. Defined Benefits Plans: Gratuity (Unfunded)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

As per Actuarial Valuation as on 31st March, 2023 and 31st March, 2022 and recognised in the financial statements in respect of Employee Benefit Schemes:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
I. Change in the defined benefit obligation		
1. Present value of defined benefit obligation at the beginning of the year	75.52	59.27
Current Service Cost	25.92	19.90
Past Service Cost	-	-
Interest Cost	5.45	4.05
Remeasurement gains / (losses)	(7.41)	1.35
Benefit payments	(20.92)	(9.05)
Others (Specify)	-	-
Present value of defined benefit obligation at the end of the year	78.56	75.52
II. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	25.92	19.90
2. Past Service Credit	-	-
3. Interest cost	5.45	4.05
TOTAL	31.37	23.95
III. Remeasurement (gains) / losses recognised in other Comprehensive Income		
Actuarial gains and loss arising from changes in financial assumptions	1.07	(4.42)
Actuarial gains and loss arising from changes in demographic assumptions	-	-
Actuarial gains and loss arising from experience adjustments	(8.48)	5.77
TOTAL	(7.41)	1.35
IV. Actuarial assumptions		
1. Discount rate	7.25%	7.35%
2. Salary escalation rate - over a long-term	7.00%	7.00%
3. Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
4. Attrition rate	Age upto 30: 10% , Age 31-40: 5% , Age 41-50: 3% , Age 51-55: 2% and Age above 56: 1%	Age upto 30: 10% , Age 31-40: 5% , Age 41-50: 3% , Age 51-55: 2% and Age above 56: 1%
5. Retirement Age	65 Years	65 Years



VÉRIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

V. Sensitivity analysis for each significant actuarial assumption	31-Mar-23	31-Mar-22
	0.5% increase	
Discount rate	(5.14)	(5.01)
Salary escalation rate - over a long-term	3.80	3.66
0.5% Decrease		
Discount rate	5.73	5.59
Salary escalation rate - over a long-term	(3.93)	(3.55)
VI. Maturity analysis of defined benefit obligation		
Within the next 12 months	5.70	2.78
Between 2 and 5 years	16.52	16.87
Between 6 and 10 years	22.38	21.80
Total expected payments	44.60	41.45

B. Defined Contribution Plans:

(a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	31-Mar-23	31-Mar-22
Contribution to provident fund	77.24	71.08
Contribution to Employee's State Insurance	12.65	14.77

(b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of leave encashment of Rs. 5.71 Lakhs as at 31st March, 2023 (Previous Year: Rs. 26.40 Lakhs)

(c) Current/ non-current classification

Particulars	31-Mar-23	31-Mar-22
Gratuity		
Current	5.70	2.78
Non Current	72.87	72.75
Leave Encashment (Including sick leave)		
Current	1.87	1.43
Non Current	16.26	19.28

Note No. 29 :- Disclosures under Ind AS 116

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Details of leasing arrangements		
As Lessee		
Operating Lease		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of one year to five years and may be renewed for a further period of upto 36 months based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 15% every 1 to 3 years.		
Future Non-Cancellable minimum lease commitments		
not later than one year	93.53	104.94
later than one year and not later than five years	56.04	292.03
later than five years	-	-
Expenses recognised in the Statement of Profit and Loss excluding GST		
Minimum Lease Payments	135.73	123.12



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No. 30 :- Financial Instruments and Risk Review

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Total Borrowings	194.07	262.97
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

	2022-23	2021-22
50 bp increase would decrease the profit before tax by	(0.97)	(1.31)
50 bp decrease would Increase the profit before tax by	0.97	1.31

Market Risk- Price Risk**Exposure**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact on Profit before tax

Particulars	As at	As at
	31st March, 2023	31st March, 2022
BSE Sensex 30- Increase 5%	48.94	38.67
BSE Sensex 30- Decrease 5%	(48.94)	(38.67)

Above referred sensitivity pertains to investment in mutual funds and other instruments. Profit for the year would increase/ (decrease) as a result of gains/ losses on equity securities as at fair value through profit or loss.



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

CREDIT RISK

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

For the Year ended March 31, 2023, in Background Check segment One single customer contributed 10% or more to Company's revenue amounting to ₹ 581.69 Lakhs.

For the Year ended March 31, 2022, in Background Check segment One single customer contributed 10% or more to Company's revenue amounting to ₹ 448.15 Lakhs.

The credit risk on liquid funds is limited because the counterparties are mutual funds with high credit-ratings assigned by international credit-agencies.

Ageing of Account receivables

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Not due	-	-
0 to 3 months	330.74	484.22
3 to 6 months	4.32	32.13
6 to 12 months	1.37	8.89
beyond 12 months	4.83	12.32
Total	341.26	537.56

Notes:

1. Disclosures related to the following are required to be given:

Amount of maximum Exposure to Credit Risk of Each / Group of financial asset where impairment as per Ind AS 109 is not applied.

Amount and description of collateral held as security and credit enhancements that best represent the maximum exposure to credit risk where impairment as per Ind AS 109 is not applied.



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

As at 31st March, 2023	0 to 3 months	3 to 6 months	6 to 12 months	Beyond 12 months	Total
Trade Payable	122.63	1.37	0.33	0.71	125.04
Payable related to Capital goods	-	-	-	-	-
Other Financial liability (Current and Non Current)	218.77	-	-	389.16	607.93
Total	341.40	1.37	0.33	389.87	732.97

As at 31st March, 2022	0 to 3 months	3 to 6 months	6 to 12 months	Beyond 12 months	Total
Trade Payable	178.00	19.14	5.00	1.75	203.89
Payable related to Capital goods	-	-	-	-	-
Other Financial liability (Current and Non Current)	180.13	-	-	325.81	505.94
Total	358.13	19.14	5.00	327.56	709.83

Note No. 31 - CAPITAL RISK MANAGEMENT

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Dividend	As at 31st March, 2023	As at 31st March, 2022
Equity shares		
Final dividend for the year ended 31st March, 2022 of INR 5 per fully paid share (PY: Final dividend for the year ended 31st March, 2021 of INR 5 per fully paid share)	25.00	25.00
Dividends not recognised at the end of the reporting period		
Addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 5 per fully paid equity share (31st March, 2023 – INR 5). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	25.00	25.00



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No. 32:- CATEGORY-WISE CLASIFICATION OF FINANCIAL INSTRUMENTS

Particulars	Refer Note no.	Non-current		Current	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
Financial Assets measured at Fair value through Profit or loss (FVTPL)					
Investment in Instruments (Net of provision)	3	145.88	138.57	-	-
Investment in Mutual Funds (Net of provision)	3	833.00	634.84	-	-
Investment in shares of immovable property (Net of provision)		-	-	-	-
Financial Assets measured at Fair value through other comprehensive income (FVTOCI)		-	-	-	-
Financial Assets measured at amortised cost					
Security Deposits (Net of provision)	4	52.89	44.85	-	-
Trade receivables	7 (a)	-	-	331.57	528.45
Cash and cash equivalents	8 (a)	-	-	1.55	2.85
Other balances with banks	8 (b)	-	-	8.41	7.97
Inter Corporate Deposit	9	-	-	56.63	84.95
Financial Liabilities measured at amortised cost					
Borrowings- long term	13	1.63	6.49	-	-
Other financial liabilities: Lease Liabilities		389.16	325.81	-	-
Borrowings- short term	15	-	-	192.45	256.49
Trade payables	16 (b)	-	-	125.03	203.90
Other financial liabilities	16 (c)	-	-	218.77	180.13

FAIR VALUE MEASUREMENTS	Fair Value As at 31-03-2023	Fair Value hierarchy		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets / financial liabilities				
Financial assets measured at fair value through profit or loss	978.87	978.87	-	-
Financial assets measured at fair value through other comprehensive income	NA	NA	NA	NA

FAIR VALUE MEASUREMENTS	Fair Value As at 31-03-2022	Fair Value hierarchy		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets / financial liabilities				
Financial assets measured at fair value through profit or loss	773.40	773.40	-	-
Financial assets measured at fair value through other comprehensive income	NA	NA	NA	NA



VERIFAETS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in Rs Lakhs, unless otherwise stated)

Note No. 33 :- Disclosure of 11 ratios

Ratio	Numerator	Denominator	2022-23	2021-22	% Variance	Reason for variance
1. Current ratio (in times)	Total current assets	Total current liabilities	0.88	1.02	(13.43%)	
2. Debt-Equity ratio (in times)	Debt	Total Equity	0.31	0.44	(29.39%)	During the year the company has utilised Bank O/D lower due to which D/E Ratio decreased YoY
3. Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after tax+Non Cash Operating expenses+Interest Profit for the year less Preference dividend (if any)	Debt service = Interest	2.38	2.19	8.58%	
4. Return on equity ratio (in %)	Income from operations	Average total equity	6.84%	10.82%	(36.83%)	During the year PAT decreased YoY to a great extent and hence ROE decreased from 10.82% to 6.84%
5. Inventory Turnover ratio (in times)	Income from operations	Average trade receivables	NA	NA	NA	
6. Trade receivables turnover ratio (in times)	Income from operations	Average trade receivables	5.60	4.84	15.83%	
7. Trade payables turnover ratio (in times)	Other expenses	Average trade payables	4.39	4.25	3.35%	
8. Net capital turnover ratio (in times)	Income from operations	Average working capital (i.e. Total current assets less Total current liabilities)	(80.58)	20.85	(486.50%)	During the year Current Liabilities increased YoY to a great extent and hence Net capital turnover ration decreased from 20.85 to (80.55)
9. Net profit ratio (in %)	Profit for the year	Income from operations	3.46%	6.01%	(42.47%)	During the year PAT decreased YoY to a great extent and hence NP Ratio decrease from 6.01% to 3.46%
10. Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth	0.24	0.23	4.96%	
11. Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	7.05%	9.95%	(29.13%)	During the year gain from equity were lower YoY and hence ROI decreased



VERIFACTS SERVICES PRIVATE LIMITED

Notes to the financial statements for the Year ended 31st March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note No. 34 :-

In the opinion of the Board of Directors, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.

Note No. 35 :-

In accordance with the relevant provisions of the Companies Act, 2013, the company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

Note No. 36 :-

The Code on Social Security, 2020 which received the President's assent on September, 2020 subsumes nine law relating to Social Security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

Note No. 37 :- Net Debt Reconciliation

Particulars	31st March, 2023	31st March, 2022
Cash and Cash Equivalents and Bank overdraft	(186.36)	(249.83)
Non-Current Borrowings (Including Current Maturities)	6.17	10.30
Current Borrowings	-	-
Interest Payable	-	-
Net Debt	(180.19)	(239.53)

Particulars	Cash and Cash Equivalents and Bank overdraft	Non-Current Borrowings (Including Current Maturities)	Current Borrowings	Interest Payable	TOTAL
Net Debt as at 1st April, 2022	(249.83)	10.30	-	-	(239.53)
Cash Flows	63.47	(4.13)	-	-	59.34
Finance Cost	-	-	-	(12.41)	(12.41)
Interest paid	-	-	-	12.41	12.41
Other Non Cash Movements	-	-	-	-	-
- Fair Value Adjustments	-	-	-	-	-
Net Debt as at 31st March, 2023	(186.36)	6.17	-	0.00	(180.19)


Note No. 38 :- Other Statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company have not advanced or loaned or invested fund to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The company does not have any transactions with struck-off companies.

Note No. 39 :-

Previous year's figures have been regrouped / reclassified / restated wherever necessary to correspond with the current year's classification/disclosure.



As per our report attached on even date
For K.S. Aiyar & Co.
Chartered Accountants
ICAI Firm's Registration number-100186W


Deepak Kamath
Partner
Membership Number: 218292



For and on behalf of the Board


Vijaykumar M Jaita
Chairman
DIN:00096977


Mudit V Jaita
Director
DIN:00192017

Rajiv Sharma
CEO

Place: Bengaluru

Date: 22 MAY 2023

Place: Mumbai

Date: 19 MAY 2023