

**Verifacts Services Pvt Ltd**  
#4007, Hallmark Square,  
1st & 2nd floor, 100 ft 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 **16<sup>th</sup>**Annual General Meeting of the Members of **VERIFACTS SERVICES PRIVATE LIMITED** will be held on **Wednesday, 28<sup>th</sup> July, 2021** at **11:00 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 31<sup>st</sup> March, 2021, 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**

\_\_\_\_\_  
Director

Name: Vijay Kumar Jatia

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

DIN: 00096977

Date: 31.05.2021

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## NOTES

1. In view of the continuing Covid-19 pandemic and in continuation to the Ministry of Corporate Affairs (“MCA”) circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (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 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. The business of ratification of Auditors, shall not be placed before the shareholders for their approval subsequent to notification of section 40 of the Companies Amendment Act, 2017 which corresponds to section 139 of the principal Companies Act, 2013 on 07<sup>th</sup> May, 2018 by which the Company shall no longer be required to ratify the appointment of auditors at every annual general meeting.
3. Members are requested to register their email address if they have not registered the same with the Company .
4. 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 16<sup>th</sup> Annual Report along with Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2021.

#### FINANCIAL RESULTS

	Financial year 2020-21	Financial year 2019-20
Revenue from operations	1347.22	2019.48
Other Income	172.23	67.54
Total Income	1519.45	2087.02
Depreciation & Amortisation Expenses	115.65	123.28
Financial Expenses	56.94	64.90
Profit before exceptional and extraordinary item and tax	21.44	70.72
Provision for taxes (net of Deferred tax)	0.23	21.34
Profit/(Loss) after tax	21.21	49.38
Other comprehensive Income	13.92	0.97
Total comprehensive Income	35.14	50.35

#### 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 suffered a decrease in turnover from **Rs 2,019.48 lakhs to 1347.22 lakhs**. The profit after tax is **Rs 21.21 lakhs** as compared to **Rs 49.38 lakhs**, a drop of 57.05%, however the Company's strategic business decisions promises to show positive results. Due to the lockdown 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 all the 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.

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.

## **IMPACT OF COVID-19 ON BUSINESS OPERATION FOR THE COMPANY**

The services of the Company continue to be disrupted due to COVID 19 Pandemic. The financial year 2020 – 2021 has been majorly affected with COVID-19. The Individual Branches started going into complete lockdown starting around 17<sup>th</sup> March, 2020 and by 23<sup>rd</sup> March, 2020 almost all Branches were under lockdown. A Business continuity Plan was implemented. The Company initiated 100% WFH model for all its employees. The IT Teams, centralized in Bengaluru provided unstinted support to monitor this activity and avoid any compliance issue. Business was severely impacted in Q1 & Q2 due to which there was substantial loss of business. The situation gradually improved from Q3 onwards with various corporates requiring our services for verification with the opening up of the lockdown.

## **NO MAJOR EVENTS HAVE OCCURRED AFTER THE BALANCE SHEET DATE.**

There are no changes in the nature of Business during the year under review and no major event has occurred after balance sheet date. The only point to be noted here is that the whole country was under a lockdown due to the Covid 19 pandemic, which has disrupted all business operations of the country.

## **DIVIDEND**

Due to the lockdown, revenues had decreased there is a drastic fall in the profits of the company, however The Board of Directors are pleased to recommend a dividend of 50% i.e Rs. 25,00,000 per fully paid equity share of Rs.10 each/-.

## **BOARD MEETINGS AND ATTENDANCE**

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

<b>Names of the Directors</b>	<b>No. of Board Meetings Held</b>	<b>No of Board Meetings Attended</b>	<b>Last AGM Attendance (Yes/No)</b>
Shri Vijaykumar Jatia	4	4	No
Shri S D Israni	4	4	No
Shri A.R Birla	4	3	No
Shri Sidhant Jatia	4	4	No
Shri Mudit Jatia	4	4	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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March 2021.

#### **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), the Auditors of the Company, were appointed at the 12th Annual General Meeting of the Company for the period of 5 years i.e. till the conclusion of the 17<sup>th</sup> Annual General Meeting of the Company.

#### **SECRETARIAL AUDIT REPORT**

Secretarial Audit Report as provided by M/s. Parikh & Associates, Practicing Company Secretaries is annexed to this Report as **ANNEXURE -1**.

## **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.22.76 lakhs**

UNSECURED LOANS(given):**Rs. 85.00 lakhs**

UNSECURED LOANS(taken):NIL

NON CURRENT INVESTMENTS:**Rs. 649.23lakhs**

GUARANTEES:NONE

SECURITIES EXTENDED: NONE

### **RISK MANAGEMENT POLICY:**

The Management is working on a risk management policy which will help in mitigating the various risks faced by the Company, currently the Board is regularly updated with various risk faced by the Company and the steps 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: Rs. 7.65 lakhs**

## **INSURANCE**

Company has taken adequate insurance cover for assets of the Company and to cover Directors and Officers liability.

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

Loan /Credit facility to the limit of Rs.18.5 lakhs was 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**

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Vijay Kumar Jatia  
Chairman

Mumbai

Date:31.05.2021

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

**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 31<sup>ST</sup> MARCH, 2021**

**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. 93,633
- (ii) Outgoing : Rs. 4,43,465

**EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**

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

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**I. REGISTRATION AND OTHER DETAILS:**

**i ) C I N : - U 7 4 1 4 0 K A 2 0 0 5 P T C 0 3 5 8 7 8**

**i i ) Registration Date: 22.03.2005**

**i i i ) Name of the Company: VERIFACTS SERVICES PRIVATE LIMITED**

**i v ) 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 0771email: enquiries@verifacts.co.in**

**v i ) Whether listed company: NO**

**v i i ) 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%

**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, Mittal Chambers, 228, Nariman Point, Mumbai-400021.	L17120MH1933PLC002031	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**

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

**(ii) Shareholding of Promoters**

SR.NO	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHARE HOLDING AT THE END OF 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	-	-
	<b>Total</b>	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.

(v) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	166.08	NIL	NIL	166.08
<b>ii) Interest due but not paid</b>	NIL	NIL	NIL	NIL
<b>iii) Interest accrued but not due</b>	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	166.08	-	-	166.08
<b>Change in Indebtedness during the financial year</b>				
• <b>Addition</b>	-	Nil	-	-
• <b>Reduction</b>	143.32	NIL	-	143.32
<b>Net Change</b>		Nil	-	
<b>Indebtedness at the end of the financial year</b>				
<b>i) Principal Amount</b>	22.76	NIL	NIL	22.76
<b>ii) Interest due but not paid</b>	NIL	NIL	NIL	-
<b>iii) Interest accrued but not due</b>	NIL	NIL	NIL	-
<b>Total (i+ii+iii)</b>	22.76	NIL	NIL	22.76

**(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

Sl. no	Particulars of Remuneration	Name of Directors					Total Amount
		Vijay Kumar Jatia	S.D.Israni	Ashokraj Birla	SidhantJatia	MuditJatia	
	Directors <ul style="list-style-type: none"><li>• Fee for attending board committee meetings</li><li>• Commission</li><li>• Others, please specify</li></ul>	1,60,000/-	1,60,000/-	1,20,000/-	1,60,000/-	1,60,000/-	7,60,000/-
	Total Managerial Remuneration (Sitting Fees)	1,60,000/-	1,60,000/-	1,20,000/-	1,60,000/-	1,60,000/-	7,60,000/-
	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 hasappointed a Chief Executive Officer.

The remuneration details of the Chief Executive Officer are being disclosed

SI. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			
		CEO `in lakhs	Company Secretary	CFO	Total
1.	<b>Gross salary</b> <b>Shri.SomeshAuddy(April 2020 to march 2021)</b> <b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>  <b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>  <b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>	58,10,100/-	NIL	NIL	58,10,100/-
		NIL	NIL	NIL	
2.	<b>Stock Option</b>	NIL			
3.	<b>Sweat Equity</b>	NIL			
4.	<b>Commission-as % of Profit others, specify ...</b>	NIL	NA	NA	
5.	<b>Others, please specify (Reimbursement of expenses)</b>	1,77,000/-	NA	NA	1,77,000/-
	<b>Total</b>	<b>59,87,100/-</b>			<b>59,87,100/-</b>

#### **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: 31.05.2021

**Registered Office:** 4007, Hallmark Square, 1<sup>ST</sup>& 2<sup>ND</sup> Floor, 100ft Road, Indiranagar, HAL 2<sup>ND</sup> 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.Crediwatch 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.Crediwatch 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

VERIFACTS SERVICES PRIVATE LIMITED			
Balance Sheet as at 31st March, 2021			
(Amount in ₹)			
PARTICULARS	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, plant and equipments	2(a)&(c)	429.91	521.48
(b) Intangible assets	2 (b)	6.75	14.26
(c) Capital Work in Progress		104.77	33.02
(d) Financial assets			
(i) Investments	3	649.23	551.26
(ii) Other financial assets	4	43.65	39.60
(e) Deferred tax assets (Net)	5	33.24	45.58
(f) Current Tax Assets (Net)	6	71.10	265.27
		<b>1,338.65</b>	<b>1,470.47</b>
<b>(2) CURRENT ASSETS</b>			
(a) Financial assets			
(i) Trade receivables	7	318.81	387.42
(iii) Cash and cash equivalents	8 (a)	4.96	10.60
(iv) Bank balances other than (ii) above	8 (b)	0.73	0.68
(v) Loans	9 (a)	115.27	127.46
(vi) Other financial assets	9 (b)	61.43	14.41
(b) Other current assets	10	25.51	20.85
		<b>526.71</b>	<b>561.42</b>
<b>TOTAL</b>		<b>1,865.36</b>	<b>2,031.88</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity Share Capital	11	50.00	50.00
(b) Other Equity	12	1,040.39	1,030.26
		<b>1,090.39</b>	<b>1,080.26</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	13	10.33	13.83
(ii) Other financial liabilities	16 (b)	364.56	433.43
(b) Provisions	14 (a)	57.34	52.74
		<b>432.23</b>	<b>500.00</b>
<b>(3) CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	15	8.95	149.08
(ii) Trade payables	16 (a)		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		103.28	102.11
(iii) Other financial liabilities	16 (c)	193.87	167.02
(b) Other current liabilities	17	34.70	31.75
(c) Provisions	14 (b)	1.93	1.65
		<b>342.73</b>	<b>451.61</b>
Significant Accounting Policies & Notes on Accounts	1 to 38		
<b>TOTAL</b>		<b>1,865.36</b>	<b>2,031.88</b>
As per our report attached on even date			
<b>For K.S. Aiyar &amp; Co.</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants		SD/-	SD/-
ICAI Firm's Registration number-100186W		<b>Vijaykumar M Jatia</b>	<b>S D Israni</b>
SD/-		Chairman	Director
		DIN:00096977	DIN:00125532
<b>Ramamohan R Hegde</b>		SD/-	
Partner		<b>Somesh Auddy</b>	
Membership Number: 23206		CEO	
Place: Bengaluru		Place: Mumbai	
Date: 31st May, 2021		Date: 02nd June, 2021	

VERIFACTS SERVICES PRIVATE LIMITED				
Statement of Profit and Loss for the year ended 31st March, 2021				
(Amount in ₹)				
	PARTICULARS	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I.	Revenue from Operations	18	1,347.22	2,019.48
II.	Other Income	19	172.23	67.54
III.	<b>Total ( I + II )</b>		<b>1,519.45</b>	<b>2,087.02</b>
IV.	<b>Expenses:</b>			
	(a) Employee benefits expenses	20	833.55	1,088.72
	(b) Finance Cost	21	56.94	64.90
	(c) Depreciation and Amortization expenses	2(a),(b),(c)	115.65	123.28
	(d) Other expenses	22	491.88	739.39
	<b>Total</b>		<b>1,498.02</b>	<b>2,016.30</b>
V.	<b>Profit before Tax</b>		<b>21.44</b>	<b>70.72</b>
VI.	<b>Tax expense:</b>	23		
	(1) Current Tax		-	38.71
	(2) Deferred Tax		7.65	(17.37)
	(3) Tax Adjustments of prior years (Net)		(7.42)	-
VII.	<b>Profit after tax</b>		<b>21.21</b>	<b>49.38</b>
VIII.	<b>Other comprehensive income</b>			
	Items that will not be recycled to profit or loss			
	(i) Remeasurements of the defined benefit liabilities / (asset)		18.61	1.29
	(ii) Income tax relating to remeasurements of the defined benefit liabilities / (asset)		(4.68)	(0.33)
IX.	<b>Total comprehensive income for the year</b>		<b>35.14</b>	<b>50.35</b>
X.	<b>Earnings per Equity Share</b>	24		
	(1) Basic		4.24	9.88
	(2) Diluted		4.24	9.88
	Significant Accounting Policies & Notes on Accounts	1 to 38		
As per our report attached on even date For K.S. Aiyar & Co. Chartered Accountants ICAI Firm's Registration number-100186W  SD/-  Ramamohan R Hegde Partner Membership Number: 23206  Place: Bengaluru Date: 31st May, 2021			For and on behalf of the Board  SD/-  Vijaykumar M Jatia Chairman DIN:00096977  S D Israni Director DIN:00125532  SD/-  Somesh Auddy CEO  Place: Mumbai Date: 02nd June, 2021	

VERIFACTS SERVICES PRIVATE LIMITED		
Cash flow statement for the year ended 31st March, 2021		
(Amount in ₹)		
Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Cash flows from operating activities</b>		
Profit before tax for the year	21.44	70.72
Adjustments for:		
Depreciation and amortisation Expenses	24.76	123.28
Amortisation as per IND AS 116	90.89	-
Interest Charges as per IND AS 116	42.33	46.43
Finance costs recognised in profit or loss	14.61	18.47
(Profit)/ Loss on sale of property, plant and equipments	(0.25)	0.43
Net (gain) / loss on sale / fair valuation of investments through profit and loss	(135.20)	29.86
Interest Income	(15.52)	(43.80)
Provision for Debtors	29.74	-
Remeasurements of net defined benefit plans	18.61	1.29
	<b>91.41</b>	<b>246.68</b>
Movements in working capital:		
(Increase)/decrease in trade receivables	38.87	84.96
(Increase)/decrease in Other receivable	(51.07)	32.98
(Increase)/decrease in Other Assets	(4.66)	1.71
Increase/(decrease) in trade and other payables	1.17	(9.60)
Increase/(decrease) in provisions	4.88	13.03
Increase/(decrease) in Other Liabilities	20.56	(7.62)
Cash generated from operations	101.16	362.14
Income taxes paid (net of refunds)	201.58	81.85
<b>Net cash generated by operating activities</b>	<b>302.74</b>	<b>443.99</b>
<b>Cash flows from investing activities</b>		
Sale proceeds of property, plant and equipment	0.73	0.75
Payments for property, plant and equipment	(7.06)	(33.46)
Payments for Intangible assets	-	-
Payments for Capital Work in Progress	(71.75)	(33.02)
Interest received	15.52	90.94
Sale/(Purchase) of non current investments	37.23	(459.79)
Inter corporate Deposit given	12.19	27.54
Fixed deposit with Banks	(0.04)	125.95
<b>Net cash (used in)/generated by investing activities</b>	<b>(13.18)</b>	<b>(281.09)</b>
<b>Cash flows from financing activities</b>		
Payment of Lease Liabilities	(112.27)	(100.60)
(Repayment)/Proceeds from Non-Current borrowings (net)	(3.20)	17.01
Dividend Paid	(25.00)	(30.14)
Interest paid	(14.61)	(18.47)
<b>Net cash used in financing activities</b>	<b>(155.08)</b>	<b>(132.22)</b>
<b>Net increase in cash and cash equivalents</b>	<b>134.48</b>	<b>30.68</b>
Cash and cash equivalents at the beginning of the year	(138.48)	(169.17)
<b>Cash and cash equivalents at the end of the year</b>	<b>(4.00)</b>	<b>(138.48)</b>
Cash and cash equivalents	4.96	10.60
Loans repayable on demand (Refer Note 15)	(8.96)	(149.08)
	<b>(4.00)</b>	<b>(138.48)</b>
As per our report attached on even date For K.S. Aiyar & Co. Chartered Accountants ICAI Firm's Registration number-100186W	<b>For and on behalf of the Board</b>	
SD/-	SD/-	SD/-
<b>Ramamohan R Hegde</b> Partner Membership Number: 23206	<b>Vijaykumar M Jatia</b> Chairman DIN:00096977	<b>S D Israni</b> Director DIN:00125532
		SD/-
		<b>Somesh Auddy</b> CEO
Place: Bengaluru Date: 31st May, 2021	Place: Mumbai Date: 02nd June, 2021	

VERIFACTS SERVICES PRIVATE LIMITED  
Statement of changes in Equity for the year ended March 31st, 2021

**a. Equity share capital**

Particulars	Number	Amount in ₹
Issued and Paid up Capital as at April 1, 2019	5,00,000	50.00
Changes in equity share capital	-	-
<b>Balance As at 31st March, 2020</b>	<b>5,00,000</b>	<b>50.00</b>
Changes in equity share capital	-	-
<b>Balance As at 31st March, 2021</b>	<b>5,00,000</b>	<b>50.00</b>

**b. Other Equity**

Particulars	General reserve	Retained earnings	Other Comprehensive Income	TOTAL
<b>Opening Balance as at 1st April 2019</b>	<b>11.37</b>	<b>999.67</b>	<b>(0.99)</b>	<b>1,010.05</b>
Profit for the year	-	49.38	-	49.38
Other Comprehensive income for the year	-	-	0.97	0.97
Dividend on Equity Shares	-	(25.00)	-	(25.00)
Dividend Distribution Tax	-	(5.14)	-	(5.14)
<b>Balance 31st March, 2020</b>	<b>11.37</b>	<b>1,018.91</b>	<b>(0.02)</b>	<b>1,030.26</b>
<b>Opening Balance as at 1st April 2020</b>	<b>11.37</b>	<b>1,018.91</b>	<b>(0.02)</b>	<b>1,030.26</b>
Profit for the year	-	21.21	-	21.21
Other Comprehensive income for the year	-	-	13.92	13.92
Dividend on Equity Shares	-	(25.00)	-	(25.00)
<b>Balance As at 31st March, 2021</b>	<b>11.37</b>	<b>1,015.12</b>	<b>13.90</b>	<b>1,040.39</b>

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

SD/-

**Ramamohan R Hegde**  
Partner  
Membership Number: 23206

Place: Bengaluru  
Date: 31st May, 2021

For and on behalf of the Board

SD/-

**Vijaykumar M Jatia**  
Chairman  
DIN:00096977

SD/-

**S D Israni**  
Director  
DIN:00125532

SD/-

**Somesh Auddy**  
CEO

Place: Mumbai  
Date: 02nd June, 2021

**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 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 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.

**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).

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

**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.

## **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 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.

#### **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.

**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 excepted 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, 2021

Note No: 2(a) PROPERTY, PLANT AND EQUIPMENTS - TANGIBLE ASSETS

Description of Assets	Tangible Asset			
	Plant and Equipment	Furniture and Fixtures	Vehicles - Freehold	Total
<b>Gross Carrying amount</b>				
Opening as at 1st April, 2019	135.24	13.28	0.01	148.53
Additions	12.65	0.10	20.71	33.46
Disposals	(2.69)	(1.59)	(0.01)	(4.29)
<b>Balance As at 31st March, 2020</b>	<b>145.20</b>	<b>11.79</b>	<b>20.71</b>	<b>177.70</b>
Opening as at 1st April, 2020	145.20	11.79	20.71	177.70
Additions	7.06	-	-	7.06
Disposals	(2.12)	(0.34)	-	(2.46)
<b>Balance As at 31st March, 2021</b>	<b>150.14</b>	<b>11.45</b>	<b>20.71</b>	<b>182.30</b>
<b>Accumulated depreciation</b>				
Opening as at 1st April, 2019	102.18	6.06	0.00	108.24
Depreciation / amortisation expense for the year	16.17	1.83	2.93	20.93
Depreciation on Disposal	(2.06)	(1.04)	(0.01)	(3.11)
<b>Balance As at 31st March, 2020</b>	<b>116.29</b>	<b>6.85</b>	<b>2.92</b>	<b>126.06</b>
Opening as at 1st April, 2020	116.29	6.85	2.92	126.06
Depreciation / amortisation expense for the year	11.37	1.27	4.61	17.25
Depreciation on Disposal	(1.73)	(0.25)	-	(1.97)
<b>Balance As at 31st March, 2021</b>	<b>125.93</b>	<b>7.87</b>	<b>7.53</b>	<b>141.34</b>
<b>Net Carrying amount</b>				
Balance As at 31st March, 2020	28.91	4.94	17.79	51.64
Balance As at 31st March, 2021	24.21	3.58	13.18	40.96

Note No: 2 (b) INTANGIBLE ASSETS

Description of Assets	Intangible Asset		
	Trade Logo	Computer Software	Total
<b>Gross Carrying amount</b>			
Opening as at 1st April, 2019	3.10	79.40	82.51
Additions	-	-	-
Disposals	-	-	-
<b>Balance As at 31st March, 2020</b>	<b>3.10</b>	<b>79.40</b>	<b>82.51</b>
Opening as at 1st April, 2020	3.10	79.40	82.51
Additions	-	-	-
Disposals	-	-	-
<b>Balance As at 31st March, 2021</b>	<b>3.10</b>	<b>79.40</b>	<b>82.51</b>
<b>Accumulated depreciation</b>			
Opening as at 1st April, 2019	2.93	43.90	46.83
Depreciation / amortisation expense for the year	-	21.42	21.42
Depreciation on Disposal	-	-	-
<b>Balance As at 31st March, 2020</b>	<b>2.93</b>	<b>65.32</b>	<b>68.25</b>
Opening as at 1st April, 2020	2.93	65.32	68.25
Depreciation / amortisation expense for the year	-	7.51	7.51
Depreciation on Disposal	-	-	-
<b>Balance As at 31st March, 2021</b>	<b>2.93</b>	<b>72.83</b>	<b>75.76</b>
<b>Net Carrying amount</b>			
Balance As at 31st March, 2020	0.17	14.08	14.26
Balance As at 31st March, 2021	0.17	6.57	6.75

**Note No: 2(c) PROPERTY, PLANT AND EQUIPMENTS - RIGHT TO USE ASSETS**

Description of Assets	Assets under Lease
<b>Gross Carrying amount</b>	
Opening as at 1st April, 2019	-
Additions	550.78
Disposals	-
<b>Balance As at 31st March, 2020</b>	<b>550.78</b>
<b>Opening as at 1st April, 2020</b>	<b>550.78</b>
Additions	23.54
Disposals	(13.53)
<b>Balance As at 31st March, 2021</b>	<b>560.79</b>
<b>Accumulated depreciation</b>	
Opening as at 1st April, 2019	-
Amortisation expense for the year	80.94
<b>Balance As at 31st March, 2020</b>	<b>80.94</b>
<b>Opening as at 1st April, 2020</b>	<b>80.94</b>
Amortisation expense for the year	90.89
<b>Balance As at 31st March, 2021</b>	<b>171.83</b>
<b>Net Carrying amount</b>	
Balance As at 31st March, 2020	<b>469.84</b>
Balance As at 31st March, 2021	<b>388.95</b>

VERIFACTS SERVICES PRIVATE LIMITED  
Notes to the financial statements for the year ended 31st March, 2021

Note No: 11 Equity

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
	Nos.	₹	Nos.	₹
<b>(a) Share Capital</b>				
<b>Authorized:</b>				
10,00,000 Equity Shares of ₹ 10 each	10,00,000	100.00	10,00,000	10.00
		100.00		10.00
<b>Issued:</b>				
5,00,000 Equity Shares of ₹ 10 each	5,00,000	50.00	5,00,000	50.00
		50.00		50.00
<b>Subscribed &amp; Fully Paid up:</b>				
5,00,000 Equity Shares of ₹ 10 each	5,00,000	50.00	5,00,000	50.00
		50.00		50.00
<b>Total</b>		50.00		50.00

(a) Reconciliation of the number of shares outstanding

Particulars	Equity Shares			
	As at 31st March, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	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%

**Note No: 12 Other Equity**

Particulars	General reserve	Retained earnings	Other Comprehensive Income	Total
<b>Opening Balance as at 1st April, 2019</b>	<b>11.37</b>	<b>999.67</b>	<b>(0.99)</b>	<b>1,010.05</b>
Profit for the year	-	49.38	-	49.38
Other Comprehensive income for the year	-	-	0.97	0.97
Dividend on Equity Shares	-	(25.00)	-	(25.00)
Dividend Distribution Tax	-	(5.14)	-	(5.14)
<b>Balance As at 31st March, 2020</b>	<b>11.37</b>	<b>1,018.91</b>	<b>(0.02)</b>	<b>1,030.26</b>
<b>Opening Balance as at 1st April, 2020</b>	<b>11.37</b>	<b>1,018.91</b>	<b>(0.02)</b>	<b>1,030.26</b>
Profit for the year	-	21.21	-	21.21
Other Comprehensive income for the year	-	-	13.92	13.92
Dividend on Equity Shares	-	(25.00)	-	(25.00)
<b>Balance As at 31st March, 2021</b>	<b>11.37</b>	<b>1,015.12</b>	<b>13.90</b>	<b>1,040.39</b>

**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, 2021**

Note No: 3 **Investments - Non Current**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Designated as Fair Value Through Profit and Loss</b>		
	<b>Quoted Investment</b>		
	<b>Investment in Instruments</b>		
	India Grid InvIT 40,824 Units (PY: 40,824 Units)	57.25	36.42
	IRB Invit 1,00,000 Units (PY: 60,000 Units )	53.40	15.32
	<b>Unquoted Investment</b>		
	<b>Investment in Mutual Funds</b>		
	ABSL Banking & PSU Debt Fund DP - Growth 34,272.181 Units (PY: 34,272.181 Units )#	99.29	91.49
	ABSL Corporate Bond Fund DP - Growth 19,452.402 Units (PY: 19,452.402 Units)#	16.87	15.34
	Franklin India Prima Fund DP - Growth 3,304.354 Units (PY: 3,304.354 Units)	44.95	24.59
	HDFC Top 100 Fund DP - Growth 5,998.129 Units (PY: 5,998.129 Units)	36.32	21.68
	ICICI Prudential Mutual Fund - Credit Risk Fund Nil Units (PY: 86,819.498 Units)#	-	20.10
	IDFC Banking & PSU Debt Fund DP - Growth 4,09,154.589 Units (PY: 4,09,154.589 Units)#	79.95	73.50
	IDFC Dynamic Bond Fund DP- Growth 3,99,475.529 Units (PY: 4,14,806.323 Units)	115.14	110.95
	L&T Midcap Fund DP - Growth 16,446.450 Units (PY: 16,446.450 Units )	31.08	17.27
	L&T Triple Ace Bond Fund DP - Growth 1,92,789.016 Units (PY: 1,92,789.016 Units)#	114.98	106.55
	Tata Equity PE Fund DP - Growth Nil Units (PY: 17,228.586 Units)	-	18.04
		<b>649.23</b>	<b>551.26</b>

# Lien for Loan against Securities facility with ICICI Bank Limited.

Note No: 4 **Other financial assets - Non Current**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Security Deposits - Unsecured considered good	43.65	39.60
		<b>43.65</b>	<b>39.60</b>

Note No: 5 **Deferred Tax Assets (Net)**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Deferred Tax Assets</b>		
i	Difference between Net Block of Fixed Assets	12.18	13.41
ii	Gratuity Provision	14.92	13.69
iii	Leases	12.01	6.74
iv	Others	14.91	11.74
	<b>Total (A)</b>	<b>54.02</b>	<b>45.58</b>
	<b>Deferred Tax Liability</b>		
i	Others	20.78	-
	<b>Total (B)</b>	<b>20.78</b>	<b>-</b>
	<b>Deferred Tax Assets/(Liabilities) (Net) (A-B)</b>	<b>33.24</b>	<b>45.58</b>

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

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Income Tax payments including Tax Deducted at Source (Net of Provision for Tax of Rs. Nil and Previous Year Rs. 38.71 Lakhs)	71.10	265.27
		<b>71.10</b>	<b>265.27</b>

Note No: 7 **Trade Receivables**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Considered Good - Unsecured	318.81	387.42
	Considered Doubtful - Unsecured	29.74	-
	Less: Allowance for doubtful trade receivables	(29.74)	-
		<b>318.81</b>	<b>387.42</b>

Note No: 8 (a) **Cash and Cash Equivalents**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Balances with Banks in current account	2.74	3.75
(b)	Cash on Hand	2.22	6.86
		<b>4.96</b>	<b>10.60</b>

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

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Fixed Deposit With BOI (Against Bank Guarantee to GST Tender for Verification.)	0.73	0.68
		<b>0.73</b>	<b>0.68</b>

Note No: 9 (a) **Loans**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Inter Corporate Deposit (*)	115.27	127.46
		<b>115.27</b>	<b>127.46</b>

**Unsecured considered good**

(*)	Name of the Company	Nature	Purpose	Amount	Amount	
	Nine Globe Industries P. Ltd #	Unsecured	Working Capital	16%	115.27	127.46

# The balance outstanding in Inter Corporate Deposit (ICD) was over due and the management has recalled these balances and continuously following up to recover the same. The company was able to recover Rs 4.49 lakhs from the party. Due to covid -19 pandemic and slow down in business, as a matter of prudence company has not accrued interest income for the financial year 2020-21 of Rs 20.54 Lakhs.

Note No: 9 (b) **Other financial assets - Current**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Interest Receivable	-	-
(b)	Unbilled revenue receivable	61.43	14.41
		<b>61.43</b>	<b>14.41</b>

Note No: 10 **Other Current Assets**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Deferred Lease	10.69	12.93
(b)	Advances to supplier	2.86	1.31
(c)	Prepaid expenses	7.72	2.36
(d)	Balances with government authorities	4.24	4.24
		<b>25.51</b>	<b>20.85</b>

Note No: 13 **Long Term Borrowings**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Secured:</b> Federal Bank Limited (No Car loan was taken during the year. In 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.)	10.33	13.83
	<b>Total Long Term Borrowings</b>	<b>10.33</b>	<b>13.83</b>

Note No: 14 (a) **Provisions - Non current**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Provision for Employee Benefits</b> Gratuity (Unfunded)	57.34	52.74
		<b>57.34</b>	<b>52.74</b>

Note No: 14 (b) **Provisions - Current**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Provision for Employee Benefits</b> Gratuity (Unfunded)	1.93	1.65
		<b>1.93</b>	<b>1.65</b>

Note No: 15 **Short Term Borrowings**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Secured:</b> <b>Loan Repayable on Demand From Banks</b>		
(a)	ICICI Bank Limited (Secured by Lien on Investments in Mutual Fund. The rate of interest is 7.70% to 8.45% Per Annum (Previous year 8.45% to 8.85% Per Annum))#	8.95	149.08
	<b>Total Short Term Borrowings</b>	<b>8.95</b>	<b>149.08</b>

# Refer Note No. 3 (a)

Note No: 16 (a) **Trade Payables**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Total outstanding dues of Micro and Small Enterprises	-	-
	Total outstanding dues of creditors other than Micro and Small Enterprises	103.28	102.11
		<b>103.28</b>	<b>102.11</b>

# Refer Note No. 26

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

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Lease Liabilities - As per IND AS 116	364.56	433.43
		<b>364.56</b>	<b>433.43</b>

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

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Other Payables	118.28	100.67
(b)	Current Maturities of Loan Term Borrowings#	3.48	3.18
(c)	Lease Liabilities - As per IND AS 116	72.11	63.18
		<b>193.87</b>	<b>167.02</b>

#(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.)

Note No: 17 **Other Current Liabilities**

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Advances Received	1.51	0.39
(b)	Other payables - Statutory Dues	33.19	31.36
		<b>34.70</b>	<b>31.75</b>

**VERIFACTS SERVICES PRIVATE LIMITED****Notes to the financial statements for the year ended 31st March, 2021**Note No: **18 Revenue from Operations**

<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Revenue from Operations	1,347.22	2,019.48
	<b>1,347.22</b>	<b>2,019.48</b>

Note No: **19 Other Income**

<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Interest on deposits	3.46	31.81
Interest on income tax refund	18.95	12.40
Interest on Investments	9.54	9.72
Interest Income - MSMED	0.34	8.16
Gain on sale of Investments	5.98	2.11
Miscellaneous income	1.29	1.08
Fair value gain on financial instruments at FVTPL	129.22	-
Interest on Financial Assets at Amortised Cost	2.52	2.27
Rent IND AS Adjustment	0.66	-
Profit on foreign exchange (net)	0.01	-
Profit on sale of Property, Plant & Equipments (Net)	0.25	-
	<b>172.23</b>	<b>67.54</b>

Note No: 20 **Employees Benefit Expenses:**

Particulars	Year ended	Year ended
	31st March, 2021	31st March, 2020
Salaries Wages & Bonus	739.34	969.56
Contribution to Provident and other funds	64.43	84.87
Gratuity	25.81	21.42
Staff Welfare Expenses	3.98	12.87
	<b>833.55</b>	<b>1,088.72</b>

Note No: 21 **Finance Cost:**

Particulars	Year ended	Year ended
	31st March, 2021	31st March, 2020
Interest on Bank Loans	14.61	18.47
Interest Charges as per IND AS 116	42.33	46.43
	<b>56.94</b>	<b>64.90</b>

Note No: 22 **Other Expenses:**

Particulars	Year ended	Year ended
	31st March, 2021	31st March, 2020
Verification Charges Paid	250.33	422.69
Travelling & Conveyance	2.50	32.16
Telephone & Internet Charges	28.30	32.33
Electricity Charges	26.18	33.36
Rent Paid ₹ 111.61 Lakhs [Net of Adjustment towards IND AS116 - ₹ 112.27 Lakhs (Previous year ₹ 100.60 Lakhs)]	-	13.02
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery	5.65	6.76
Building	0.71	0.51
Others	-	0.21
Insurance	0.31	0.12
Rates and Taxes	3.45	1.18
Legal and Professional Charges	8.28	10.94
Business Support Services (Paid to Holding Company)	78.00	78.00
Donation	5.75	6.00
Directors Sitting Fees (Includes ₹7.60 Lakhs (PY ₹6.10 Lakhs) paid to Related Party)	7.60	6.10
<b>Payment to Auditors:</b>		
For Statutory Audit	3.00	3.00
For Tax Audit	0.80	0.75
For Certification	1.20	1.20
Advertisement and Business Promotion Expenses	8.14	12.28
Loss on sale of Property, Plant & Equipments (Net)	-	0.43
Loss on Foreign Exchange (net)	-	0.46
Bank Charges	0.47	1.41
Membership Fees & Subscription fees	9.46	12.30
Office Expenses	14.25	18.44
Printing & Stationery	0.78	2.63
Office Shifting Expenses	0.44	0.23
Commission and Brokerage Charges	0.28	1.00
Fair value loss on financial instruments at FVTPL	-	31.97
Bad Debts Written Off	3.39	2.90
Provision for Bad and Doubtful Debts	29.74	-
Miscellaneous Expenses	2.89	7.02
	<b>491.88</b>	<b>739.39</b>

Note No: 24 **Earning Per Share:**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Earning Per Share has been calculated as under:		
(a) Profit After Taxation and Exceptional Items	21.21	49.38
(b) Number of Equity Shares Outstanding (Face Value ₹ 10/-)	5,00,000	5,00,000
(c) Earning per Share (Face Value of ₹ 10/- per share) - (a) / (b) (Basic and diluted)	4.24	9.88

Note No: 25 **Contingent Liability and Commitments:**

Contingent Liability	As at 31st March, 2021	As at 31st March, 2020
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 Rs 23.74 Lakhs (Previous year Rs. 42.73 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

**Common Director :**

Crediwatch Information Analytics Private 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.

ii	Related Party Transactions:	2020-21	2019-20
<b>a</b>	<b>Directors Sitting Fees</b>		
	Mr. Vijaykumar Jatia	1.60	1.50
	Mr. Shivkumar Israni	1.60	1.50
	Mr. Ashokraj Birla	1.20	1.50
	Mr. Siddhant Jatia	1.60	0.80
	Mr. Mudit Jatia	1.60	0.80
<b>b</b>	<b>Salary Paid</b>		
	Mr. Somesh Auddy	58.10	60.09
	Mr. Somesh Auddy (Reimbursement of Expenses)	1.77	1.77
<b>c</b>	<b>Business Support Services paid</b>		
	Modern India Limited	78.00	78.00
<b>d</b>	<b>Dividend Paid :</b>		
	Modern India Limited	25.00	25.00
<b>f</b>	<b>Reimbursement of expenses</b>		
	Modern India Limited	-	0.05
iii	<b>Outstanding Balances:</b>		
<b>a</b>	<b>Sundry Creditors</b>		
	Modern India Limited	-	14.04
<b>a</b>	<b>Other current liabilities- Employee benefits payable</b>		
	Mr. Somesh Auddy	3.85	3.83

**VERIFACTS SERVICES PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

**Note No. 23 :- Current Tax and Deferred Tax**

**(a) Income Tax recognised in profit and loss**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Current Tax:</b>		
Current tax on taxable income of the year	-	38.71
<b>Deferred Tax</b>		
Deferred tax Charge / (credit)	7.65	(17.37)
<b>Total Tax Expense recognised in profit and loss account</b>	<b>7.65</b>	<b>21.34</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Profit Before tax from Continuing Operations</b>	21.44	70.72
<b>Enacted income tax rate in India applicable to the company -</b>	25.17%	25.17%
Income Tax using the Company's domestic Tax rate #	5.40	17.80
<b>Tax Effect of :</b>		
Dividend Income / Tax Free Income	-	-
Tax Free Expenses	-	-
Effect of change in Employee benefits	-	-
Effect of change in rate of income tax	-	3.92
Effect of change in Depreciation	-	-
Effect of change in Leases	-	-
Others	2.25	(0.38)
<b>Income Tax recognised In P&amp;L from Continuing Operations (Effective Tax Rate)</b>	<b>7.65</b>	<b>21.34</b>
	<b>7.65</b>	<b>21.34</b>

**(c) Movement of Deferred Tax**

Particulars	Opening Balance as at 1st April, 2020	Recognised in profit and Loss in 2020-21	Recognised in OCI in 2020-21	Closing Balance as on 31st March, 2021
<b><u>Tax effect of items constituting deferred tax liabilities</u></b>				
Other item	-	20.78	-	20.78
	-	20.78	-	20.78
<b><u>Tax effect of items constituting deferred tax assets</u></b>				
Employee Benefits	13.69	5.91	(4.68)	14.92
Depreciation	13.41	(1.22)	-	12.19
Leases	6.74	5.27	-	12.01
Others	11.75	3.16	-	14.91
	45.59	13.12	(4.68)	54.03
<b>Net Tax Asset/ (Liabilities)</b>	<b>45.59</b>	<b>(7.66)</b>	<b>(4.68)</b>	<b>33.25</b>
Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and Loss in 2019-20	Recognised in OCI in 2019-20	Closing Balance as on 31st March, 2020
<b><u>Tax effect of items constituting deferred tax assets</u></b>				
Employee Benefits	11.51	2.51	(0.33)	13.69
Depreciation	12.94	0.47	-	13.41
Leases	-	6.74	-	6.74
Others	4.09	7.66	-	11.75
	28.54	17.38	(0.33)	45.59
<b>Net Tax Asset/ (Liabilities)</b>	<b>28.54</b>	<b>17.38</b>	<b>(0.33)</b>	<b>45.59</b>

**VERIFACTS SERVICES PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

**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, 2021 and 31st March, 2020 and recognised in the financial statements in respect of Employee Benefit Schemes:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>I. Change in the defined benefit obligation</b>		
1. Present value of defined benefit obligation at the beginning of the year	54.39	41.36
Current Service Cost	22.25	18.32
Past Service Cost	-	-
Interest Cost	3.56	3.10
Remeasurement gains / (losses)	(18.61)	(1.29)
Benefit payments	(2.32)	(7.10)
Others (Specify)	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>59.27</b>	<b>54.39</b>
<b>II. Expense recognised in the Statement of Profit and Loss</b>		
1. Current service cost	22.25	18.32
2. Past Service Credit	-	-
3. Interest cost	3.56	3.10
<b>TOTAL</b>	<b>25.81</b>	<b>21.42</b>
<b>III. Remeasurement (gains)/losses recognised in other Comprehensive Income</b>		
Actuarial gains and loss arising from changes in financial assumptions	(2.77)	7.61
Actuarial gains and loss arising from changes in demographic assumptions	-	(0.04)
Actuarial gains and loss arising from experience adjustments	(15.84)	(8.86)
<b>TOTAL</b>	<b>(18.61)</b>	<b>(1.29)</b>
<b>IV. Actuarial assumptions</b>		
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
1. Discount rate	6.95%	6.65%
2. Salary escalation rate - over a long-term	7%	7%
3. Mortality rate	Indian Assured Lives Mortality (2012-14) 15 years	Indian Assured Lives Mortality (2012-14) 15 years
4. Average future working lifetime	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. Attrition rate	65 Years	65 Years
Retirement Age	65 Years	65 Years

V. Sensitivity analysis for each significant actuarial assumption	31-Mar-21	31-Mar-20
	<b>0.5% increase</b>	
Discount rate	(4.21)	(4.02)
Salary escalation rate - over a long-term	3.33	3.08
	<b>0.5% Decrease</b>	
Discount rate	4.72	4.52
Salary escalation rate - over a long-term	(3.43)	(3.04)
<b>VI. Maturity analysis of defined benefit obligation</b>		
Within the next 12 months	1.93	1.65
Between 2 and 5 years	12.31	10.37
Between 6 and 10 years	15.69	14.36
<b>Total expected payments</b>	<b>29.93</b>	<b>26.38</b>

**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-21	31-Mar-20
Contribution to provident fund	52.42	66.68
Contribution to Employee's State Insurance	11.67	18.19

(c) Current/ non-current classification

Particulars	31-Mar-21	31-Mar-20
<b>Gratuity</b>		
Current	1.93	1.65
Non Current	57.34	52.74

Note No. 29 :- Disclosures under Ind AS 17

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Details of leasing arrangements</b>		
<b>As Lessee</b>		
<u>Operating Lease</u>		
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.		
<b>Future Non-Cancellable minimum lease commitments</b>		
not later than one year	82.96	73.58
later than one year and not later than five years	299.05	259.55
later than five years	-	-
Expenses recognised in the Statement of Profit and Loss excluding GST		
Minimum Lease Payments	0.00	113.62

**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, 2021	31st March, 2020
Total Borrowings	8.95	149.08
% 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**

	2020-21	2019-20
50 bp increase would decrease the profit before tax by	(0.04)	(0.75)
50 bp decrease would Increase the profit before tax by	0.04	0.75

**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, 2021	31st March, 2020
BSE Sensex 30- Increase 5%	32.46	27.56
BSE Sensex 30- Decrease 5%	(32.46)	(27.56)

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.

### 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 ongoing 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. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

For the Year ended March 31, 2021, in Background Check segment One single customer contributed 10% or more to Company's revenue amounting to ₹ 238.36 Lakhs.

For the Year ended March 31, 2020, in Background Check segment One single customer contributed 10% or more to Company's revenue amounting to ₹ 449.87 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 31st March, 2021	As at 31st March, 2020
Not due		
0 to 3 months	282.46	316.01
3 to 6 months	24.04	40.88
6 to 12 months	8.74	20.05
beyond 12 months	2.07	10.10
<b>Total</b>	<b>317.31</b>	<b>387.03</b>

**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.

**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, 2021	0 to 3 months	3 to 6 months	6 to 12 months	Beyond 12 months	Total
Trade Payable	90.44	4.66	7.81	0.38	103.28
Payable related to Capital goods	-	-	-	-	-
Other Financial liability (Current and Non Current)	193.87	-	-	364.56	558.43
<b>Total</b>	<b>284.31</b>	<b>4.66</b>	<b>7.81</b>	<b>364.94</b>	<b>661.71</b>

As at 31st March, 2020	0 to 3 months	3 to 6 months	6 to 12 months	Beyond 12 months	Total
Trade Payable	93.03	6.34	0.52	2.22	102.11
Payable related to Capital goods	-	-	-	-	-
Other Financial liability (Current and Non Current)	167.02	-	-	433.43	600.45
<b>Total</b>	<b>260.05</b>	<b>6.34</b>	<b>0.52</b>	<b>435.65</b>	<b>702.56</b>

**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, 2021	As at 31st March, 2020
<b>Equity shares</b>		
Final dividend for the year ended 31st March, 2020 of INR 5 per fully paid share	25.00	25.00
<b>Dividends not recognised at the end of the reporting period</b>		
Addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 5 per fully paid equity share (31st March, 2021 - ₹ 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, 2021

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

Particulars	Refer Note no.	Non-current		Current	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Financial Assets measured at Fair value through Profit or loss (FVTPL)</b>					
Investment in Instruments (Net of provision)	3	110.65	51.74	-	-
Investment in Mutual Funds (Net of provision)	3	538.58	499.52		
Investment in shares of immovable property (Net of provision)		-	-	-	-
<b>Financial Assets measured at Fair value through other comprehensive income (FVTOCI)</b>		-	-	-	-
<b>Financial Assets measured at amortised cost</b>					
Security Deposits (Net of provision)	4	43.65	39.60	-	-
Trade receivables	7	-	-	318.81	387.42
Cash and cash equivalents	8 (a)	-	-	4.96	10.60
Other balances with banks	8 (b)	-	-	0.73	0.68
Inter Corporate Deposit	9 (a)	-	-	115.27	127.46
Other Receivable	9 (b)	-	-	-	-
Interest Receivable	6 (b)	-	-	-	-
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings- long term	13	10.33	13.83	-	-
Other financial liabilities: Lease Liabilities		364.56	433.43	-	-
Borrowings- short term	15	-	-	8.95	149.08
Trade payables	16 (a)	-	-	103.28	102.11
Other financial liabilities	16 (c)	-	-	193.87	167.02

FAIR VALUE MEASUREMENTS	Fair Value As at 31-03-21	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	649.23	649.23	-	-
Financial assets measured at fair value through other comprehensive income	NA	NA	NA	NA

FAIR VALUE MEASUREMENTS	Fair Value As at 31-03-2020	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	551.26	551.26	-	-
Financial assets measured at fair value through other comprehensive income	NA	NA	NA	NA

**VERIFACTS SERVICES PRIVATE LIMITED****Notes to the financial statements for the year ended 31st March, 2021****Note No. 33:-**

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. 34:-**

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. 35:-**

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. 36 :- Net Debt Reconciliation**

Particulars	31st March, 2021	31st March, 2020
Cash and Cash Equivalents and Bank overdraft	(4.00)	(138.48)
Non-Current Borrowings (Including Current Maturities)	13.81	17.01
Current Borrowings	-	-
Interest Payable	-	-
<b>Net Debt</b>	<b>9.81</b>	<b>(121.47)</b>

Particulars	Cash and Cash Equivalents and Bank overdraft	Non-Current Borrowings (Including Current Maturities)	Current Borrowings	Interest Payable	TOTAL
<b>Net Debt as at 1st April, 2020</b>	(138.48)	17.01	-	-	(121.47)
Cash Flows	134.48	(3.20)	-	-	131.28
Finance Cost	-	-	-	(14.61)	(14.61)
Interest paid	-	-	-	14.61	14.61
Other Non Cash Movements	-	-	-	-	-
- Fair Value Adjustments	-	-	-	-	-
<b>Net Debt as at 31st March, 2021</b>	<b>(4.00)</b>	<b>13.81</b>	<b>-</b>	<b>0.00</b>	<b>9.81</b>

**Note No. 37 :- Covid Impact**

Verifacts Services Private Limited is in the business of background verification services. The services of the company were disrupted as there was reduction in hiring during the financial year, so until company's services are not availed, it will have negative impact on revenue generation and this is also reflected in the financial results for the year ended 31st March, 2021. The clients were serviced by the team under work from home policy wherever possible. The operations are being carried out in accordance with the guidelines issued by the regulatory authorities, after obtaining permissions wherever required. The Company has taken all the required measures to ensure the safety of its employees in accordance with the guidelines issued by the authorities. The management will continue to closely monitor any material changes based on future economic conditions. Given the uncertainties, the final impact on Company's operating results, financial condition and cash flows cannot be predicted at this time and in future may differ from that estimated as at the date of approval of these financial statements.

**Note No. 38 :-**

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

SD/-

**Ramamohan R Hegde**

Partner

Membership Number: 23206

**For and on behalf of the Board**

SD/-

SD/-

**Vijaykumar M Jatia**

Chairman  
DIN:00096977

**S D Israni**

Director  
DIN:00125532

SD/-

**Somesh Auddy**  
CEO

Place: Bengaluru  
Date: 31st May, 2021

Place: Mumbai  
Date: 02nd June, 2021