

Federal Operations and Services Limited

Financial Statements for the year ended March 31, 2020

Financial Performance Highlights

1. Federal Operations and Services Limited is a wholly owned subsidiary company of The Federal Bank Limited devoted to banking operations and technology oriented services. The Company was set up on 26th Oct. 2018. The Company operates from two locations- one in Kochi and Second in Visakhapatnam, Andhra Pradesh.
2. The Company provides services in respect of operational activities of The Federal Bank Limited. The Company has taken over 78 operational activities up to 31st March 2020. The Company does not deal in loans and advances, neither does it accepts deposits.
3. The total revenue of FedServ for the period ended on 31 March 2020 is INR 18.95 Crores. The full revenue pertains to services provided by the Company to Federal Bank only. The Company started its operations on 1 December 2018 and this was the second year of operation of the company. The Company had net profit after tax for the period ended 31 March 2020 of Rs. 126.58 Lakhs.
4. The Net Worth of FedServ at the beginning of the year was INR 4.71 cr. and closing net worth of FedServ as on 31st March 2020 was INR 10.98 Crore. During the year, Federal Bank has invested in preference shares of company amounting to Rs. 5 Crore.
5. The Company expects to migrate more number of processes from Federal Bank in the upcoming year and expects to bring higher efficiency and effectiveness in the operational processes of the Bank.

INDEPENDENT AUDITOR'S REPORT

To the Members of Federal Operations and Services Limited
Kochi

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Federal Operations and Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our Auditor's Report thereon. The Director's Report is expected to be made available to us after the date of this Auditor's Report.



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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration u/s 197 of the Act was paid by the Company to its directors during the year.



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- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company does not have any pending litigations which would impact its financial position.
 2. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Kochi
Date : 16-05-2020

UDIN : 20208259AAAABV7087

For VARMA & VARMA
(FRN:0045328)


(VIVEK KRISHNA GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 208259

Varma & Varma

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"ANNEXURE A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FEDERAL OPERATIONS AND SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) We are informed that the fixed assets of the company have been physically verified by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets and that no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records of the company examined by us and based on the details furnished to us by the company, the company does not own any immovable property.
2. The company does not have any stock of finished goods, stores, spare parts and raw materials as on the Balance Sheet date and throughout the year. Accordingly, the reporting requirements under clause (ii) of paragraph 3 of the Order are not applicable.
3. According to the information and explanations given to us and the records of the company examined by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. We are informed that the transactions on the current account are not in nature of loan. Accordingly, the reporting requirements under clauses (iii) (a) to (c) of paragraph 3 of the Order are not applicable.
4. According to the information and explanations given to us and the records of the company examined by us, the company has not granted any loans or given any guarantee or security or made any investment as stated in section 185 and 186 of the Act. Accordingly, the reporting requirements under clause (iv) of paragraph 3 of the Order are not applicable.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.



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6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
7. (a) According to the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues on account of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other statutory dues as applicable to the Company with the appropriate authorities except for minor delays in remittance of Provident Fund, Employees' State Insurance, Goods and Service Tax and Income Tax deducted at source during the year.

There are no arrears of undisputed statutory dues outstanding at the last day of the financial year for a period of more than six months from the date on which they become payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts due to be deposited under Goods and Service Tax, Income Tax and other statutory dues as at 31st March 2020.

8. The Company has not taken any loans or borrowings from financial institutions, banks and government nor has it issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
9. According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and no term loans have been availed by the company during the year.
10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us and representations made by the management, no material fraud by the company or on the company by its officers or employees, has been noticed or reported during the year.
11. According to the information and explanations given to us and the records of the Company examined by us, no managerial remuneration u/s 197 of the Act, has been paid or provided during the year.



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12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Note No. 21 to the financial statements as required by the applicable accounting standards.
14. The company has issued preference shares on Rights issue basis during the year. It has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.
15. According to information and explanations given to us and the records of the company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Place : Kochi
Date : 16-05-2020

For VARMA & VARMA
(FRN: 004532 51)


(VIVEK KRISHNA GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 208259

"ANNEXURE B" REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FEDERAL OPERATIONS AND SERVICES LIMITED FOR THE YEAR ENDED 31st MARCH 2020

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

We have audited the internal financial controls over financial reporting of Federal Operations and Services Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kochi

Date : 16-05-2020

For VARMA & VARMA
(FRN: 0045326)


(VIVEK KRISHNA GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 208259

FEDERAL OPERATIONS AND SERVICES LIMITED
BALANCE SHEET AS AT 31st MARCH 2020

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	10,00,00,000	5,00,00,000
(b) Reserves and Surplus	3	97,99,695	(28,59,018)
		10,97,99,695	4,71,40,982
(2) Non-Current Liabilities			
(a) Long Term Provisions	4	6,19,565	50,289
		6,19,565	50,289
(3) Current Liabilities			
(a) Trade Payables	5		
(i) Total outstanding dues of MSMEs			
(ii) Total outstanding dues of creditors other than MSMEs		49,89,822	7,81,307
(b) Other Current Liabilities	6	2,15,21,245	89,95,205
		2,65,11,067	97,76,512
Total		13,69,30,327	5,69,67,783
II. Assets			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	7		
(i) Tangible assets		2,45,21,747	72,37,937
(ii) Intangible assets		22,97,599	8,86,421
(iii) Capital Work In Progress		2,60,77,526	95,00,864
(b) Deferred Tax Asset (Net)	8	14,02,328	4,95,083
(c) Long Term Loans and Advances	9	82,76,375	19,94,832
		6,25,75,575	2,01,15,137
(2) Current Assets			
(a) Trade Receivables	10	1,72,34,286	50,99,720
(b) Cash and Cash Equivalents	11	3,61,88,569	2,96,99,655
(c) Short-Term Loans and Advances	12	71,33,438	19,23,935
(d) Other Current Assets	13	1,37,98,459	1,29,336
		7,43,54,752	3,68,52,646
Total		13,69,30,327	5,69,67,783

Significant accounting policies and Notes on Accounts

1 to 25

The accompanying notes form an integral part of the financial statements

As per our separate report of even date attached

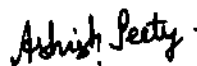
For and on behalf of the Board of Directors

For VARMA & VARMA
(FRN: 0045326)

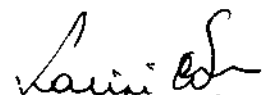

(VIVEK KRISHNA GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 208259



Johnson K Jose
Director
DIN: 08267398



Ashish Peety
CS & CFC



Shalini Warrior
Director
DIN: 08257526

Place: Kochi

Date: 16-05-2020

FEDERAL OPERATIONS AND SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2020

(Amount in Rs.)

Particulars	Note No.	Year Ended	Period ended
		31.03.2020	31.03.2019
I. Revenue from Operations	14	18,95,27,015	1,28,74,662
II. Total Revenue		18,95,27,015	1,28,74,662
III. Expenses:			
Employee Benefits Expense	15	4,41,42,300	36,28,182
Depreciation and Amortization expense	7	1,10,21,169	8,15,757
Other Expenses	16	11,73,02,077	1,17,84,824
Total Expenses		17,24,65,546	1,62,28,763
IV Profit / (Loss) before tax (II-III)		1,70,61,469	(33,54,101)
V. Tax expense:			
(1) Current tax		53,10,001	-
(2) Deferred tax		(9,07,245)	(4,95,083)
VI. Profit / (Loss) for the period (IV-V)		1,26,58,713	(28,59,018)
VII. Earnings per equity share:	17		
Nominal value of share Rs. 10/-			
Basic/ Diluted		2.53	(0.57)

Significant accounting policies and Notes on Accounts 1 to 25

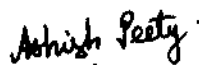
The accompanying notes form an integral part of the financial statements.

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA & VARMA
(FRN: 004632S)

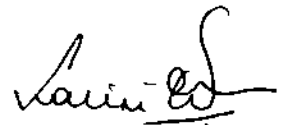

(VIVEK KRISHNA GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 208259



Ashish Peety
CS & CFO



Johnson K Jose
Director
DIN: 08267398



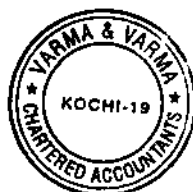
Shalini Warriar
Director
DIN: 08257526

Place : Kochi

Date : 16-05-2020

FEDERAL OPERATIONS AND SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	For the year ended 31.03.2020 (Rupees)		For the period ended 31.03.2019 (Rupees)	
A. Cash Flows from Operating Activities				
Profit / (Loss) before tax as per the Statement of Profit and Loss		1,70,61,469		(33,54,101)
Adjustments for:				
Depreciation and Amortization expense	1,10,21,169	1,10,21,169	8,15,757	8,15,757
Operating Profit before Working Capital Changes		2,80,82,638		(25,38,344)
Adjustments for:				
(Increase) / Decrease in Trade Receivables	(2,75,54,115)		(50,99,720)	
Increase / (Decrease) in Trade Payables	1,96,28,063		7,81,307	
Increase / (Decrease) in Long Term Provisions	5,69,276		50,289	
(Increase) / Decrease in Loans and Advances	(98,31,331)		(36,63,857)	
Increase / (Decrease) in Other Current Liabilities	51,01,796		8,06,353	
(Increase) / Decrease in Other current assets	(1,36,69,123)	(2,57,55,434)	(1,29,336)	(72,54,964)
Cash from/(used) in Operating Activities		23,27,204		(97,93,308)
Income tax paid		(69,69,714)		2,54,910
Net Cash from / (used) in Operating Activities		(46,42,510)		(1,00,48,218)
B. Cash Flows from Investing Activities				
(Increase) / Decrease in Fixed Assets (including Capital Work in Progress)	(3,88,68,576)	(3,88,68,576)	(1,02,52,127)	(1,02,52,127)
Net Cash from / (used) in Investing Activities		(3,88,68,576)		(1,02,52,127)
C. Cash Flows from Financing Activities				
Issue of Preference shares for Cash	5,00,00,000	5,00,00,000	5,00,00,000	
Net Cash from / (used) in Financing Activities		5,00,00,000		5,00,00,000
D. Summary				
Net Cash from / (used) Operating Activities		(46,42,510)		(1,00,48,218)
Net Cash from / (used) in Investing Activities		(3,88,68,576)		(1,02,52,127)
Net Cash from / (used) in Financing Activities		5,00,00,000		5,00,00,000
Net Increase / (Decrease) in Cash and Cash Equivalents		64,88,914		2,96,99,655



Particulars	For the Year ended 31.03.2020 (Rupees)	For the period ended 31.03.2019 (Rupees)
Cash and Cash Equivalents at beginning of the period	2,96,99,655	2,96,99,655
Cash and Cash Equivalents at the end of the period	3,61,88,569	2,96,99,655
	<u>64,88,914</u>	<u>2,96,99,655</u>

As per our separate report of even date attached

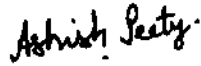
For and on behalf of the Board of Directors

For VARMA & VARMA
(FRN: 004532S)


VIVEN KRISHNA GOVIND
Partner
CHARTERED ACCOUNTANTS
Membership No. 208259



Johnson K Jose
Director
DIN: 08267398



Ashish Peety
CS & CFO



Shalini Warner
Director
DIN: 08257526

Place : Kochi
Date : 16-05-2020

1. Significant Accounting Policies

A. Basis of preparation of accounts

Financial Statements are prepared under the historical cost convention, on accrual basis in compliance with the provisions of the Companies Act 2013 and the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements are prepared on accrual basis and under the historical cost convention.

B. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and that also affect the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Any revisions to accounting estimates are recognised prospectively in current and future periods.

C. Revenue Recognition

i. Service Income

- a) Revenue from operations is recognized as and when services are rendered, as per the terms of Master Service Agreement entered into by the Company.

ii. Other Income

- a) Interest income is recognised on accrual basis using effective interest rate method.
- b) Dividend income is recognised when the Company's right to receive is established.
- c) Other incomes are recognised on accrual basis except when there are significant uncertainties.

D. Tangible Assets (Property, Plant and Equipment)

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price, (inclusive of import duties and non - refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

On disposal of an item of property, plant and equipment, the differences between the disposal proceeds and its carrying amount is recognised in the Statement of Profit and Loss. The residual values, useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate. Capital work in progress comprises of the cost of fixed asset that are not yet ready for their intended use at the reporting date.

E. Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated depreciation and impairment, if any.

F. Depreciation

Depreciation is provided on Written Down Value Method in accordance with Schedule II of the Companies Act, 2013. The useful life adopted is as prescribed under Schedule II of the Companies Act 2013, except for the following assets for which a different useful life has been adopted on the basis of technical evaluation/management estimate, based on a review by the management at the year end:-

- a) The cost of lease holds improvements are amortised on a straight line basis over the lease period.
- b) Cost of license is capitalised as intangible asset and amortized over the license period. Also The cost of software is capitalised as intangible asset and amortised on a straight line basis over the useful life of 5 years.
- c) Assets individually costing Rs. 2,000/- or less are fully depreciated in the year of purchase.

G. Employee Benefits – (AS 15)

i. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amounts are recognized as expenses in the Profit & Loss Statement of the year in which the related services are rendered.

ii. Defined Contribution Plan

The company has defined contribution plans for employees comprising of Provident Fund, Employee State Insurance and labour welfare fund. The contributions paid/payable to these plans during the year are charged to Statement of Profit & Loss for the Year.

iii. Defined Benefit Plan

Gratuity

The company pays gratuity, a defined benefit plan, to employees who retire or resign. The Company provides gratuity to the eligible employees as a terminal benefit. These liabilities are determined on the basis of actuarial valuation under projected unit credit method at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

H. Taxes on Income

Income Tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes Current taxes and Deferred taxes. Deferred Tax assets/liabilities, representing timing differences between accounting income and taxable income, are recognized to the extent considered capable of being reversed in subsequent years.

Deferred Tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the company.

i. Borrowing costs

As per AS 16, Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

J. Impairment of Assets

As per AS 28, the company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss, if any, is charged to the Profit & Loss Statement in the period in which, an asset is identified as impaired. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

K. Govt. Incentives

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

L. Preliminary expenses

- a) Preliminary expenses includes company name reservation fees, company registration fees, fees paid for obtaining various initial certificates and licenses, stamp duty, consultancy fees paid for obtaining registration certificates.
- b) As per AS 26, All the expenses incurred in incorporation of the company will be debited in Preliminary Expenses account. 100% amount from the preliminary expense account will be written off to P/L in the first year.

M. Earnings Per Share

- a) The company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on "Earnings per Share". Basic earnings per share are computed by dividing the net Profit or Loss for the year attributable to equity share holders by the weighted average number of Equity Shares outstanding during the period.
- b) Diluted earnings per share are computed by dividing the net Profit or Loss for the year attributable to equity share holders (after deducting attributable taxes) by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all diluted potential Equity Shares outstanding as at the year end.

N. Investments

- a) Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long Term Investments.
- b) Investments held as long-term investments are carried at cost comprising of acquisition and incidental expenses. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

O. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognized as an expense in the Profit and Loss Account as per the lease terms.

P. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gain/ loss arising during the year are adjusted to the Statement of Profit and Loss.

Q. Provisions, Contingent Liabilities and Contingent Assets

As per AS 29, Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation. Contingent assets are neither recognised nor disclosed in the accounts.

2 Share Capital

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Authorised:		
Equity Share Capital		
50,00,000 Shares of Rs. 10/- each	5,00,00,000	5,00,00,000
Preference Share Capital		
1,50,00,000 Shares of Rs. 10/- each	15,00,00,000	15,00,00,000
	20,00,00,000	20,00,00,000
Issued, Subscribed and Fully paid:		
50,00,000 Equity shares of Rs. 10/- each	5,00,00,000	5,00,00,000
50,00,000 Preference shares of Rs. 10/- each	5,00,00,000	-
	10,00,00,000	5,00,00,000

2.1 Reconciliation of equity shares outstanding at the beginning and at the end of the financial year:

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount (Rupees)	Number of shares	Amount (Rupees)
At the beginning of the financial year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Add: Shares issued during the year	-	-	-	-
At the end of the financial year	50,00,000	5,00,00,000	50,00,000	5,00,00,000

2.2 Reconciliation of preference shares outstanding at the beginning and at the end of the financial year:

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount (Rupees)	Number of shares	Amount (Rupees)
At the beginning of the financial year	-	-	-	-
Add: Shares issued during the year	50,00,000	5,00,00,000	-	-
At the end of the financial year	50,00,000	5,00,00,000	-	-

2.3 Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 Details of Shareholders holding more than 5% share in the Company at the end of the year:

Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
	%	Number of shares	%	Number of shares
Federal Bank Ltd	99.99	49,99,695	99.99	49,99,695

2.5 Shares held by Holding Company

Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
	%	Number of shares	%	Number of shares
Federal Bank Ltd., the Holding Company	99.99	49,99,695	99.99	49,99,695

3 Reserves and Surplus

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	126,59,018	-
Add: Profit / (Loss) for the year as per the Statement of Profit and Loss	1,26,58,713	1,28,59,018
Closing balance	97,99,695	(28,59,018)



4 Long - Term Provisions

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Provision for employee benefits		
Provision for Gratuity	6,19,565	50,289
	6,19,565	50,289

4.1 Disclosures required under Accounting Standard 15 - "Employee Benefits" :

4.1.1. Defined Contribution Plans

During the year, the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans:

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Employer's contribution to Provident Fund	34,61,025	3,50,424
Employer's contribution to Employee's State Insurance	10,84,896	1,40,174
	45,45,921	4,90,598

4.1.2 Defined Benefit Plans-Gratuity (Unfunded)

(i) Actuarial Assumptions	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.71% p.a	7.79% p.a.
Superannuation Age	60 Years	60 Years
Expected return on plan assets	Unfunded	Unfunded
Salary escalation rate *	5.00% p.a	5.00% p.a.
Mortality rate		

IALM 2006-08 Ultimate IALM 2006-08 Ultimate

* The assumption of future salary increases takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(ii) Reconciliation of present value of obligation	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Present value of obligation at the beginning of the year	50,289	-
Current Service Cost	6,19,565	50,289
Interest Cost	3,374	-
Actuarial (gain)/loss	(53,663)	-
Benefits Paid	-	-
Curtailements	-	-
Settlements	-	-
Present value of obligation at the end of the year	6,19,565	50,289

(iii) Reconciliation of fair value of plan assets	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions	-	-
Benefits paid	-	-
Assets distributed on settlement	-	-
Fair value of plan assets at the end of the year	-	-

(iv) Description of Plan Assets	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Insurer Managed Funds		



(v) Net (Asset)/Liability recognised in the Balance Sheet as at year end	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Present value of obligation	6,19,565	50,289
Fair value of plan assets	-	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	6,19,565	50,289

(vi) Expenses recognised in the Statement of Profit and Loss	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Current Service Cost	6,19,565	50,289
Interest Cost	3,374	-
Expected return on plan assets	-	-
Actuarial (gain) / loss recognised in the period	(53,663)	-
Past Service Cost	50,289	-
Curtailment cost	-	-
Settlement cost	-	-
Total expenses recognised in the Statement of Profit and Loss for the year	6,19,565	50,289
Actual return on plan assets	-	-

The above disclosures are based on information furnished by independent actuary and relied upon by the auditors.

5 Trade Payables

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Trade Payables (Refer Note 5.1)		
(i) Total outstanding dues of MSMEs	-	-
(ii) Total outstanding dues of creditors other than MSMEs	49,89,822	7,81,307
	49,89,822	7,81,307

5.1 The Company has taken steps to identify suppliers who qualify under the definition of Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31.03.2020, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished.

6 Other Current Liabilities

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
(a) Other payables		
(i) Statutory dues	35,89,075	8,06,353
(ii) Creditors for capital goods	1,56,13,095	81,88,852
(iii) Retention money	23,19,075	-
	2,15,21,245	89,95,205



FEDERAL OPERATIONS AND SERVICES LIMITED
Notes Forming Part of The Financial Statements

7 Property, Plant & Equipment

(Amount in Rs.)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTIZATION				NET BLOCK		
	As at 01.04.2019	Additions	Sales/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Disposal/ Adjustments	As at 31.03.2020	As at 01.04.2019	As at 31.03.2020
(i) Tangible Assets										
Computer & Accessories	28,98,750	1,34,56,932		1,63,56,682	3,58,299	50,54,939		54,13,238	25,41,451	1,09,43,444
Office Equipments	51,19,303	89,43,884		1,40,63,187	4,22,817	39,73,957		43,96,774	46,96,486	96,66,413
Furniture and fittings		52,19,762		52,19,762		13,07,872		13,07,872		39,11,890
Total Tangible Assets	80,19,053	2,76,20,578		3,56,39,631	7,81,116	1,03,36,768		1,11,17,884	72,37,937	2,45,21,747
(ii) Intangible Assets										
Software	9,21,052	20,95,579		30,16,641	34,841	6,84,401		7,19,042	8,86,421	22,97,599
Total Assets	89,40,115	2,97,16,157		3,86,56,272	8,15,757	1,10,21,169		1,18,36,926	81,24,358	2,68,19,346

(iii) Capital work-in-progress

(Amount in Rs.)

Particulars	As at 01.04.2019	Additions	Capitalised/ Adjustments	As at 31.03.2020
Human Resource Software	18,00,000		18,00,000	
Work Stations	18,29,250		18,29,250	
Office equipment	27,59,362	1,57,16,161	44,93,131	1,39,82,392
Furniture and fittings	31,12,252	1,18,86,480	48,63,237	1,01,35,495
Computer accessories		19,59,639		19,59,639
Total	95,00,864	2,95,62,280	1,29,85,618	2,60,77,526



8 Deferred Tax Asset (Net)

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
A. Deferred Tax Liability		
On difference between Written down value of fixed assets as per Income Tax Act and as per books.	(6,85,909)	53,137
	<u>(6,85,909)</u>	<u>53,137</u>
B. Deferred Tax Assets		
On other disallowances	7,16,419	5,48,220
	<u>7,16,419</u>	<u>5,48,220</u>
Net Deferred Tax Asset [B-A]	<u><u>14,02,328</u></u>	<u><u>4,95,083</u></u>

9 Long Term Loans and Advances

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Unsecured, considered good		
Rent deposits	63,43,752	17,21,922
Other Deposit	18,000	18,000
Income Tax (Net)	19,14,623	2,54,910
	<u>82,76,375</u>	<u>19,94,832</u>

10 Trade Receivables

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others (Net) (Refer Note 10.1)	1,72,34,286	50,99,720
	<u>1,72,34,286</u>	<u>50,99,720</u>

10.1 Others (Net) represents the amount receivable from the Holding Company

11 Cash and Cash Equivalents

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Cash in hand	-	-
Balance with Banks :		
In Current Accounts	3,61,88,569	2,96,99,655
	<u>3,61,88,569</u>	<u>2,96,99,655</u>

12 Short-term loans and advances

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Unsecured, considered good		
(a) GST Input Credit (Net)	65,85,891	18,96,870
(b) Advances recoverable in cash or in kind or for which values to be received	5,47,547	-
(c) Other advances	-	27,065
	<u>71,33,438</u>	<u>19,23,935</u>

13 Other Current Assets

Particulars	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Unbilled Revenue	1,37,98,459	1,29,336
	<u>1,37,98,459</u>	<u>1,29,336</u>



14 Revenue from operations

(Amount in Rs.)

Particulars	Year ended	Period ended
	31.03.2020	31.03.2019
Sale of Services		
Data processing and Monitoring services	18,95,27,015	1,28,74,662
	18,95,27,015	1,28,74,662

15 Employee benefits expense

(Amount in Rs.)

Particulars	Year ended	Period ended
	31.03.2020	31.03.2019
Salary & Wages	3,71,86,506	30,91,803
Contribution to Provident and Other Funds	54,22,132	4,94,451
Staff Welfare Expenses	15,33,662	41,928
	4,41,42,300	36,28,182

16 Other expenses

(Amount in Rs.)

Particulars	Year ended	Period ended
	31.03.2020	31.03.2019
Advertisement Expenses		1,34,850
Power and Fuel	54,49,919	2,02,038
Internet and Leased Line connectivity Charges	23,25,553	1,52,220
Sitting Fees to Directors	1,20,000	60,000
Professional and Consultancy charges	2,97,550	2,85,545
Service charges	4,27,46,548	27,49,051
Rent	1,94,92,070	45,21,331
Rates and Taxes	31,472	26,37,519
Repairs and Maintenance	1,41,93,179	63,313
Postage and Courier Expenses	2,13,18,676	
Printing and Stationery Expenses	17,89,117	63,157
Payments to Auditors (Refer Note 16.1)	3,17,880	1,05,000
Office Expenses	29,00,450	2,02,999
Telephone Expenses	3,78,433	
Transportation Expenses	58,42,130	4,75,150
Miscellaneous expenses	99,100	1,32,651
	11,73,02,077	1,17,84,824

16.1 Payments in respect of Auditor's Remuneration

(Amount in Rs.)

Particulars	Year ended	Period ended
	31.03.2020	31.03.2019
a. Statutory Audit fees (excluding GST)	2,25,000	1,00,000
b. Other services (excluding GST)	92,880	5,000
	3,17,880	1,05,000

17 Earnings per equity share

Particulars	Year ended	Period ended
	31.03.2020	31.03.2019
Profit / (Loss) after taxation	1,26,58,713	(28,59,018)
Weighted Average Number of Equity Shares of Rs. 10/- each (fully paid up)	50,00,000	50,00,000
Basic/ Diluted (not annualized)	2.53	(0.57)



- 18 There are no contingent liabilities as at the end of the year.
- 19 The company has taken premises under rental arrangements, which are in the nature of cancellable operating leases except for rent of 2nd floor office in Visakhapatnam, which has a lock-in period of 3 years. The lease rentals relating to the year has been charged to the Statement of Profit and Loss.
- 20 (a) Following the global outbreak of Coronavirus (COVID-19) pandemic, the Government of India ordered a complete nationwide lockdown on 24th March, 2020 which has been extended for further periods with certain specified relaxations. However, the company had been able to continue its operations under the directives of the authorities without significant disruptions. Based on an assessment carried out by the management, having regard to the overall national and global economic environment, taking into account internal and external information available up to the date of approval of these financial statements, no material adjustments are required in the financial statements. The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the management will continue to closely monitor any material changes to future economic conditions.
- (b) In the opinion of the management, short term loans and advances and other current assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.
- 21 Disclosure of transactions with related parties as required by Accounting Standard-18 on related party disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

A. Related parties and nature of relationship

Name of Party	Nature of Relationship
Federal Bank Ltd	Holding Company
Balagopal C. Shalini Warriar Kunhi Ajithkumar Krishnan Satheesh P. K. Johnson K. Jose	Key Managerial Personnel

B. Details of the transactions with the above parties during the year and balance outstanding as at 31.03.2020

Particulars	Holding Company	Key Managerial Personnel (KMP)	Total
Revenue from Operations	18,95,27,015	-	18,95,27,015
	(1,28,74,662)	-	(1,28,74,662)
Service charges	4,27,46,548	-	4,27,46,548
	(27,49,051)	-	(27,49,051)
Sitting Fees	-	1,20,000	1,20,000
	-	(60,000)	(60,000)
Rent	60,000	-	60,000
	(21,667)	-	(21,667)

Balance as on 31.03.2020

Particulars	Holding Company	Key Managerial Personnel (KMP)	Total
Sundry debtors	1,72,34,286	-	1,72,34,286
	(50,99,720)	-	(50,99,720)
Security Deposit	15,000	-	15,000
	(15,000)	-	(15,000)
Equity Share Capital	4,99,96,950	-	4,99,96,950
	(4,99,96,950)	-	(4,99,96,950)
Preference share capital	5,00,00,000	-	5,00,00,000
	-	-	-

*previous year figure in the bracket.

- 22 The Company was incorporated on 26th October 2018 with the main objects of providing banking operational services, technology oriented services and support functions. Therefore, the previous year has only 5 months and the figures for comparison are for 5 months.



23 Estimated amount of contract remaining to be executed on capital account - Rs. Nil

24 Segment Reporting

The company is primarily engaged in providing banking operational services, technology oriented services and support functions to its holding company. Therefore, separate business segment information is not disclosed. Besides, the Company's operations are located only in India and hence, separate secondary geographical segment information is not disclosed.

25 Figures have been rounded off to the nearest rupee.

As per our separate report of even date attached

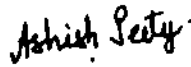
For and on behalf of the Board of Directors

For VARMA & VARMA
(FRN: 0045325)

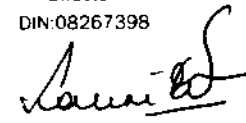

(VIVEK KRISHNA GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 208259



Johnson K. Jose
Director
DIN: 08267398



Ashish Peety
CS & CFO



Shalini Warriar
Director
DIN: 08257526

Place : Kochi
Date : 16-05-2020