

FEDERAL OPERATIONS AND SERVICES LIMITED
BALANCE SHEET AS AT 31st MARCH 2021

(Amount In Rs.)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	10,00,00,000	10,00,00,000
(b) Reserves and Surplus	3	2,81,62,435	97,99,695
		12,81,62,435	10,97,99,695
(2) Non-Current Liabilities			
(a) Long Term Provisions	4	16,24,059	6,19,565
		16,24,059	6,19,565
(3) Current Liabilities			
(a) Trade Payables	5	-	-
(i) Total outstanding dues of MSMEs		-	-
(ii) Total outstanding dues of creditors other than MSMEs		71,87,599	49,89,822
(b) Other Current Liabilities	6	1,25,78,745	2,15,21,245
		1,97,66,344	2,65,11,067
Total		14,95,52,838	13,69,30,327
II. Assets			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	7		
(i) Tangible assets		4,04,93,535	2,45,21,747
(ii) Intangible assets		16,59,703	22,97,599
(iii) Capital Work In Progress		-	2,60,77,526
(b) Deferred Tax Asset (Net)	8	33,16,647	14,02,328
(c) Long-Term Loans and Advances	9	1,60,91,073	82,76,375
(d) Other Non-Current Assets	10	1,00,73,177	-
		7,16,34,135	6,25,75,575
(2) Current Assets			
(a) Trade Receivables	11	3,36,78,813	1,72,34,286
(b) Cash and Cash Equivalents	12	4,18,17,203	3,61,88,569
(c) Short-Term Loans and Advances	13	24,22,687	71,33,438
(d) Other Current Assets	14	-	1,37,98,459
		7,79,18,703	7,43,54,752
Total		14,95,52,838	13,69,30,327

Significant accounting policies and Notes on Accounts

1 to 26

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

As per our separate report of even date attached

For VARMA & VARMA
(FRN: 004328)

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



Ashish Peety

Ashish Peety
CS & CFO

Prashant Preman
Director
DIN: 09134084

Johnson K Jose
Director
DIN: 08267398

Place : Kochi

Date : 16-04-2021

FEDERAL OPERATIONS AND SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2021

(Amount in Rs.)

Particulars	Note No.	Year Ended	Year Ended
		31.03.2021	31.03.2020
I. Revenue			
Revenue from Operations	15	26,38,25,042	18,95,27,015
Other Income	16	1,97,138	-
Total Revenue		26,40,22,180	18,95,27,015
II. Expenses:			
Employee Benefits Expense	17	8,85,11,290	4,41,42,300
Depreciation and Amortization expense	7	2,11,88,548	1,10,21,169
Other Expenses	18	13,03,83,121	11,73,02,077
Total Expenses		24,00,82,959	17,24,65,546
III. Profit before tax (I-II)		2,39,39,221	1,70,61,469
IV. Tax expense:			
(1) Current tax		81,09,663	53,10,001
(2) Deferred tax		(19,14,319)	(9,07,245)
(3) Tax for prior years		(6,18,863)	-
V. Profit for the period (III-IV)		1,83,62,740	1,26,58,713
VI. Earnings per equity share:	19		
Nominal value of share Rs. 10/- Basic/ Diluted		3.67	2.53

Significant accounting policies and Notes on Accounts 1 to 26
The accompanying notes form an integral part of the financial statements.

As per our separate report of even date attached

For VARMA & VARMA
(FRN: 004532S)

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



Ashish Peety

Ashish Peety
CS & CFO

Prashant Preman

Prashant Preman
Director
DIN: 09134084

Johnson K Jose

Johnson K Jose
Director
DIN: 08267398

Place : Kochi
Date : 16-04-2021

FEDERAL OPERATIONS AND SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

Particulars	For the year ended 31.03.2021 (Rupees)	For the period ended 31.03.2020 (Rupees)
A. Cash Flows from Operating Activities		
Profit before tax as per the Statement of Profit and Loss	2,39,39,221	1,70,61,469
<i>Adjustments for:</i>		
Depreciation and Amortization expense	<u>2,11,88,548</u>	<u>1,10,21,169</u>
Operating Profit before Working Capital Changes	<u>4,51,27,769</u>	<u>2,80,82,638</u>
<i>Adjustments for:</i>		
(Increase) / Decrease in Trade Receivables	(1,64,44,527)	(2,75,54,115)
Increase / (Decrease) in Trade Payables	1,52,48,911	1,96,28,063
Increase / (Decrease) in Long Term Provisions	10,04,494	5,69,276
(Increase) / Decrease in Loans and Advances	(31,03,947)	(98,31,331)
Increase / (Decrease) in Other Current Liabilities	(89,42,500)	51,01,796
(Increase) / Decrease in Other current assets	<u>1,37,98,459</u>	<u>(1,36,69,123)</u>
Cash from/(used) in Operating Activities	<u>4,66,88,659</u>	<u>23,27,204</u>
Income tax paid	(74,90,800)	(69,69,714)
Net Cash from / (used) in Operating Activities	<u>3,91,97,859</u>	<u>(46,42,510)</u>
B. Cash Flows from Investing Activities		
(Deposits)/Withdrawals with more than 12 months maturities	(1,00,73,177)	
(Increase) / Decrease in Fixed Assets (including Capital Work in Progress)	<u>(2,34,96,048)</u>	<u>(3,88,68,576)</u>
Net Cash from / (used) in Investing Activities	<u>(3,35,69,225)</u>	<u>(3,88,68,576)</u>
C. Cash Flows from Financing Activities		
Issue of Preference shares for Cash	-	5,00,00,000
Net Cash from / (used) in Financing Activities	<u>-</u>	<u>5,00,00,000</u>
D. Summary		
Net Cash from / (used) Operating Activities	3,91,97,859	(46,42,510)
Net Cash from / (used) in Investing Activities	(3,35,69,225)	(3,88,68,576)
Net Cash from / (used) in Financing Activities	-	5,00,00,000
Net Increase / (Decrease) in Cash and Cash Equivalents	<u>56,28,634</u>	<u>64,88,914</u>



Particulars	For the Year ended 31.03.2021 (Rupees)	For the period ended 31.03.2020 (Rupees)
Cash and Cash Equivalents at beginning of the period	3,61,88,569	2,96,99,655
Cash and Cash Equivalents at the end of the period	<u>4,18,17,203</u>	<u>3,61,88,569</u>
	<u>56,28,634</u>	<u>64,88,914</u>

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA & VARMA
(FPA) 0045328

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



Ashish Peety

Ashish Peety
CS & CFO

Prashant Preman
Prashant Preman
Director
DIN: 09134084

Johnson K Jose
Johnson K Jose
Director
DIN: 08267398

Place : Kochi
Date : 16-04-2021

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 include 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 31.03.2021 (Rupees)	As at 31.03.2020 (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	5,00,00,000
	10,00,00,000	10,00,00,000

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	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 31.03.2021		As at 31.03.2020	
	Number of shares	Amount (Rupees)	Number of shares	Amount (Rupees)
At the beginning of the financial year	50,00,000	5,00,00,000	-	-
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	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 31.03.2021		As at 31.03.2020	
	%	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 31.03.2021		As at 31.03.2020	
	%	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 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	97,99,695	(28,59,018)
Add: Profit for the year as per the Statement of Profit & Loss	1,83,62,740	1,26,58,713
Closing balance	2,81,62,435	97,99,695



4 Long - Term Provisions

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Provision for employee benefits		
Provision for Gratuity	16,24,059	6,19,565
	<u>16,24,059</u>	<u>6,19,565</u>

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 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Employer's contribution to Provident Fund	63,87,061	34,61,025
Employer's contribution to Employee's State Insurance	18,62,562	10,84,896
	<u>82,49,623</u>	<u>45,45,921</u>

4.1.2 Defined Benefit Plans-Gratuity (Unfunded)

(i) Actuarial Assumptions	As at 31.03.2021	As at 31.03.2020
Discount Rate	6.76% p.a.	6.71% 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 2012-14 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 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Present value of obligation at the beginning of the year	6,19,565	50,289
Current Service Cost	10,96,108	6,19,565
Interest Cost	41,882	3,374
Actuarial (gain)/loss	(1,33,496)	(53,663)
Benefits Paid	-	-
Curtailements	-	-
Settlements	-	-
Present value of obligation at the end of the year	<u>16,24,059</u>	<u>6,19,565</u>

(iii) Reconciliation of fair value of plan assets	As at 31.03.2021 (Rupees)	As at 31.03.2020 (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 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)	
Insurer Managed Funds	-	-	
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(v) Net (Asset)/Liability recognised in the Balance Sheet as at year end	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)	As at 31.03.2019 (Rupees)
Present value of obligation	16,24,059	6,19,565	50,289
Fair value of plan assets	-	-	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	16,24,059	6,19,565	50,289
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(vi) Expenses recognised in the Statement of Profit and Loss	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)	
Current Service Cost	10,96,108	6,19,565	
Interest Cost	41,882	3,374	
Expected return on plan assets	-	-	
Actuarial (gain) / loss recognised in the period	(1,33,496)	(53,663)	
Past Service Cost	-	50,289	
Curtailement cost	-	-	
Settlement cost	-	-	
Total expenses recognised in the Statement of Profit and Loss for the year	10,04,494	6,19,565	
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 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Trade Payables (Refer Note 5.1)		
(i) Total outstanding dues of MSMEs	-	-
(ii) Total outstanding dues of creditors other than MSMEs	71,87,599	49,89,822
	<u>71,87,599</u>	<u>49,89,822</u>

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 31.03.2021, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished.

6 Other Current Liabilities

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
(a) Other payables		
(i) Statutory dues	62,60,051	35,89,075
(ii) Creditors for capital goods	25,61,961	1,56,13,095
(iii) Retention money	37,56,733	23,19,075
	<u>1,25,78,745</u>	<u>2,15,21,245</u>



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 01.04.2020	Additions	Sales/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the Year	Disposal / Adjustments	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021
(i) Tangible Assets										
Computer & Accessories	1,63,56,682 (28,99,750)	1,00,01,061 (1,34,56,932)	-	2,63,57,743 (1,63,56,682)	54,13,238 (3,58,299)	90,44,817 (50,54,939)	-	1,44,58,055 (54,13,238)	1,09,43,444 (25,41,451)	1,18,99,688 (1,09,43,444)
Furniture and fittings	52,19,762	1,09,67,841 (52,19,762)	-	1,61,87,603 (52,19,762)	13,07,872	27,75,300 (13,07,872)	-	40,83,172 (13,07,872)	39,11,890	1,21,04,431 (39,11,890)
Office Equipment	1,40,63,187 (51,19,303)	1,54,63,538 (89,43,884)	-	2,95,26,725 (1,40,63,187)	43,96,774 (4,22,817)	86,40,535 (39,73,957)	-	1,30,37,309 (43,96,774)	96,66,413 (46,96,486)	1,64,89,416 (96,66,413)
Total Tangible Assets	3,56,39,631 (80,19,053)	3,64,32,440 (2,76,20,578)	-	7,20,72,071 (3,56,39,631)	1,11,17,884 (7,81,116)	2,04,60,652 (1,03,36,768)	-	3,15,78,536 (1,11,17,884)	2,45,21,747 (72,37,937)	4,04,93,535 (2,45,21,747)
(ii) Intangible Assets										
Software	30,16,641 (9,21,062)	90,000 (20,95,579)	-	31,06,641 (30,16,641)	7,19,042 (34,641)	7,27,896 (6,84,401)	-	14,46,938 (7,19,042)	22,97,599 (8,86,421)	16,59,703 (22,97,599)
Total Assets	3,86,56,272 (89,40,115)	3,65,22,440 (2,97,16,157)	-	7,51,78,712 (3,86,56,272)	1,18,36,926 (8,15,757)	2,11,88,548 (1,10,21,169)	-	3,30,25,474 (1,18,36,926)	2,68,19,346 (81,24,358)	4,21,53,238 (2,68,19,346)

(iii) Capital work-in-progress

(Amount in Rs.)

Particulars	As at 01.04.2020	Additions	Capitalised / Adjustments	As at 31.03.2021
Office equipment	1,39,82,392 (27,59,362)	-	1,39,82,392 (44,93,131)	- (1,39,82,392)
Furniture and fittings	1,01,35,495 (31,12,252)	-	1,01,35,495 (48,63,237)	- (1,01,35,495)
Computer accessories	19,59,639	-	19,59,639	-
Human Resource Software	- (18,00,000)	(19,59,639)	-	(19,59,639)
Work Stations	- (18,29,250)	-	-	- (18,29,250)
Total	2,60,77,526 (95,00,864)	-	2,60,77,526 (1,29,85,618)	-



8 Deferred Tax Asset (Net)

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
A. Deferred Tax Liability		
On difference between Written down value of fixed assets as per Income Tax Act and as per books.	-	-
B. Deferred Tax Assets		
On other disallowances	33,16,647	14,02,328
	<u>33,16,647</u>	<u>14,02,328</u>
Net Deferred Tax Asset [B-A]	<u>33,16,647</u>	<u>14,02,328</u>

9 Long-Term Loans and Advances

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Unsecured, considered good		
Rent deposits	1,21,62,702	63,43,752
Other Deposit	9,17,630	18,000
Income Tax (Net)	30,10,741	19,14,623
	<u>1,60,91,073</u>	<u>82,76,375</u>

10 Other Non-Current Assets

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Fixed Deposits (Refer Note 10.1)	1,00,73,177	-
	<u>1,00,73,177</u>	<u>-</u>

10.1 Balances with banks in Deposit Accounts with a maturity period not less than 12 months.

11 Trade Receivables

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others (Net) (Refer Note 11.1)	3,36,78,813	1,72,34,286
	<u>3,36,78,813</u>	<u>1,72,34,286</u>

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



12 Cash and Cash Equivalents

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Cash in hand		
Balance with Banks :		
In Current Accounts	3,17,11,774	3,61,88,569
In Deposits Accounts	1,01,05,429	-
	<u>4,18,17,203</u>	<u>3,61,88,569</u>

13 Short-Term Loans and Advances

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Unsecured, considered good		
(a) GST Input Credit (Net)	-	65,85,891
(b) Advances recoverable in cash or in kind or for which values to be received	17,42,063	5,47,547
(c) Other advances	6,80,624	-
	<u>24,22,687</u>	<u>71,33,438</u>

14 Other Current Assets

Particulars	As at 31.03.2021 (Rupees)	As at 31.03.2020 (Rupees)
Unbilled Revenue	-	1,37,98,459
	<u>-</u>	<u>1,37,98,459</u>



15 Revenue from operations		(Amount in Rs.)	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020	
Sale of Services			
Data processing and Monitoring services	26,38,25,042	18,95,27,015	
	<u>26,38,25,042</u>	<u>18,95,27,015</u>	
16 Other Income		(Amount in Rs.)	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020	
Interest Received	1,97,138	-	
	<u>1,97,138</u>	<u>-</u>	
17 Employee benefits expense		(Amount in Rs.)	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020	
Salaries & Wages	7,46,67,019	3,71,86,506	
Contribution to Provident and Other Funds	90,36,245	54,22,132	
Staff Welfare Expenses	48,08,026	15,33,662	
	<u>8,85,11,290</u>	<u>4,41,42,300</u>	
18 Other expenses		(Amount in Rs.)	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020	
Insurance Expenses	44,390	-	
Internet and Leased Line connectivity Charges	31,93,194	23,25,553	
Miscellaneous expenses	54,875	99,100	
Office Expenses	32,82,575	29,00,450	
Payments to Auditors (Refer Note 18.1)	3,10,000	3,17,880	
Postage and Courier Expenses	2,16,12,367	2,13,18,676	
Power and Fuel	61,59,429	54,49,919	
Printing and Stationery Expenses	27,43,732	17,89,117	
Professional and Consultancy charges	16,68,950	2,97,550	
Rates and Taxes	1,48,621	31,472	
Rent	2,16,58,317	1,94,92,070	
Repairs and Maintenance	15,49,924	1,41,93,179	
Service charges	5,64,36,205	4,27,46,548	
Sitting Fees to Directors	1,20,000	1,20,000	
Telephone Expenses	23,56,834	3,78,433	
Transportation Expenses	90,43,708	58,42,130	
	<u>13,03,83,121</u>	<u>11,73,02,077</u>	
18.1 Payments in respect of Auditor's Remuneration		(Amount in Rs.)	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020	
a. Statutory Audit fees (excluding GST)	1,25,000	2,25,000	
b. Other services (excluding GST)	1,85,000	92,880	
	<u>3,10,000</u>	<u>3,17,880</u>	
19 Earnings per equity share		(Amount in Rs.)	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020	
Profit / (Loss) after taxation	1,83,62,740	1,26,58,713	
Weighted Average Number of Equity Shares of Rs. 10/- each (fully paid-up)	50,00,000	50,00,000	
Basic/ Diluted (not annualized)	<u>3.67</u>	<u>2.53</u>	



20 There are no contingent liabilities outstanding as at the end of the year.

21 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.

Future minimum lease payable under non-cancellable operating leases are as follows:

Particulars	For the Year Ended 31st March, 2021 (Rupees)	For the Year Ended 31st March, 2020 (Rupees)
Lease rentals recognized during the period	72,44,421	68,99,269
Lease Obligations Payable:		
a) Not later than one year	56,46,483	72,44,421
b) Later than one year but not later than five years	-	56,46,483
c) Later than five years	-	-

22 (a) Based on an assessment carried out by the management following the global outbreak of Coronavirus (COVID-19) pandemic, 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.

23 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.	Key Managerial Personnel
Shalini Warriar	
Kunhi Ajithkumar Krishnan	
Johnson K. Jose	

(Amount in Rs.)

B. Details of the transactions with the above parties during the year and balance outstanding as at 31.03.2021

Particulars	Holding Company	Key Managerial Personnel (KMP)	Total
Revenue from Operations	26,38,25,042	-	26,38,25,042
	(18,95,27,015)	-	(18,95,27,015)
Service charges	5,64,36,205	-	5,64,36,205
	(4,27,46,548)	-	(4,27,46,548)
Sitting Fees	-	1,20,000	1,20,000
	-	(1,20,000)	(1,20,000)
Rent	60,000	-	60,000
	(60,000)	-	(60,000)

Balance as on 31.03.2021

Particulars	Holding Company	Key Managerial Personnel (KMP)	Total
Sundry debtors	3,36,78,813	-	3,36,78,813
	(1,72,34,286)	-	(1,72,34,286)
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
	(5,00,00,000)	-	(5,00,00,000)

*previous year figure in the bracket.



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

25 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.

26 Figures have been rounded off to the nearest rupee. Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's layout.

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



Ashish Peety

Ashish Peety
CS & CFO


Prashant Preman
Director
DIN: 09134084



Johnson K. Jose
Director
DIN:08267398

Place : Kochi
Date : 16-04-2021