

**BLS KENDRAS PRIVATE LIMITED**  
**(CIN: U74999DL2018PTC331178)**  
**BALANCE SHEET AS AT MARCH 31, 2019**

		(Amounts in INR)	
Particulars	Note	As at	March 31, 2019
<b>I ASSETS</b>			
<b>1 Non-current asset</b>			
a. Property, plant & equipment	3	296,848	
b. Intangible assets	4	41,567	
c. Financial assets:			
Other financial assets	5	1,079,863	
d. Deferred tax assets(Net)	6	166,999	
			<u>1,585,277</u>
<b>2 Current asset</b>			
a. Financial assets			
(i) Trade Receivable	7	6,283,858	
(ii) Cash and cash equivalents	8	36,608,041	
(iii) Bank balance other than (ii) above	9	50,000,000	
(iv) Other financial assets	10	2,529,532	
b. Other current assets	11	18,641,672	
			<u>114,063,103</u>
<b>TOTAL ASSEST</b>			<u><u>115,648,380</u></u>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity share capital	12	5,000,000	
b. Other equity	13	(13,409,841)	
<b>Total equity</b>			<u>(8,409,841)</u>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	14	624,811	
<b>Total non-current liabilities</b>			<u>624,811</u>
<b>3 Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	15	46,000,000	
(ii) Trade payables	16	10,331,891	
(iii) Other financial liabilities	17	49,161,652	
b. Other current liabilities	18	17,938,391	
c. Provision	19	1,476	
			<u>123,433,410</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			<u><u>115,648,380</u></u>
<b>Significant accounting policies</b>	1-2		

The accompanying notes referred to above formed an integral part of the financial statements

As per our report of even date attached  
For S S Kothari Mehta & Company  
Chartered Accountants  
Firm's registration number: 000756N

Harish Gupta  
Partner

Membership number: 098336



For and on behalf of the board of directors of  
BLS Kendras Private Limited

(Dinesh Sharma)  
Director  
DIN No. 00956860

(Sanjeev Kumar)  
Director  
DIN No. 02826773

Place : New Delhi  
Date : 18th May 2019



**BLS KENDRAS PRIVATE LIMITED**  
(CIN: U74999DL2018PTC331178)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

		(Amounts in INR)	
Particulars		Note	Year ended March 31, 2019
I	Revenue from operations	20	233,253,309
II	Other income	21	2,438,505
	<b>TOTAL INCOME(I+II)</b>		<b>235,691,814</b>
III	<b>EXPENSES:</b>		
	Purchase	22	3,541,548
	Cost of services	23	168,309,883
	Employee benefits expense	24	17,634,349
	Finance cost	25	5,077,643
	Depreciation and amortisation expense	26	37,905
	Other expenses	27	54,667,326
	<b>TOTAL EXPENSES</b>		<b>249,268,654</b>
IV	<b>LOSS BEFORE TAX</b>		<b>(13,576,840)</b>
V	<b>TAX EXPENSE:</b>		
	a) Current tax		-
	b) Deferred tax		(166,999)
	<b>TOTAL TAX EXPENSES</b>		<b>(166,999)</b>
VI	<b>LOSS FOR THE PERIOD (IV-V)</b>		<b>(13,409,841)</b>
VII	<b>OTHER COMPREHENSIVE INCOME (OCI)</b>		
	A) Items that will not be reclassified to profit or loss		-
	B) Items that will be reclassified to profit or loss (net of tax)		-
	<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)</b>		<b>-</b>
VIII	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VI+VII)</b>		<b>(13,409,841)</b>
IX	<b>Loss per equity share: basic and diluted ( Rs.)</b>	28	<b>(26.82)</b>
X	<b>Significant accounting policies</b>	1-2	

The accompanying notes referred to above formed an integral part of the financial statements

As per our report of even date attached  
For **S S Kothari Mehta & Company**  
Chartered Accountants  
Firm's registration number: 000756N

**Harish Gupta**  
Partner

Membership number: 098336



For and on behalf of the board of directors of  
**BLS Kendras Private Limited**

**(Dinesh Sharma)**  
Director  
DIN No. 00956860

**(Sanjeev Kumar)**  
Director  
DIN No. 02826773

Place : New Delhi  
Date : 18th May 2019



**BLS KENDRAS PRIVATE LIMITED**  
**(CIN: U74999DL2018PTC331178)**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31 2019**

	(Amount in INR)
	For the year ended March 31, 2019
<b>Cash flow from operating activities</b>	
Profit for the period (Before tax)	(13,576,840)
Adjustments to reconcile net profit to net cash by operating activities	
Depreciation & amortization expense	37,905
Finance costs	5,077,643
<b>Operating profit before working capital change</b>	<b>(8,461,292)</b>
Adjustments for:	
(Increase)/ decrease in trade receivables	(6,283,858)
(Increase)/ decrease in other financial current assets	(2,529,532)
(Increase)/ decrease in other current assets	(18,641,672)
(Increase)/ decrease in other non-current assets	(1,079,863)
(Decrease)/ increase in long term provision	624,811
(Decrease)/ increase in trade payable	10,331,891
(Decrease)/ increase in other financial current liabilities	46,504,557
(Decrease)/ increase in other current liabilities	17,938,391
(Decrease)/ increase in short term provision	1,476
<b>Cash (used in)/from operations</b>	<b>38,404,909</b>
Direct taxes	-
<b>Net cash flow (used in)/from operating activities (A)</b>	<b>38,404,909</b>
<b>Cash flow from investing activities</b>	
Expenditure on Property, plant and equipment including CWIP	(324,720)
Expenditure on intangible fixed assets	(51,600)
Investment in term deposits	(50,000,000)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(50,376,320)</b>
<b>Cash flow from financing activities</b>	
Proceed from issue of equity Share	5,000,000
Loan from holding company (Net)	46,000,000
Interest paid	(2,420,548)
<b>Net cash Flow from/ (used in) financing activities (C)</b>	<b>48,579,452</b>
<b>Net increase /(decrease) in cash and cash equivalent (A+B+C)</b>	<b>36,608,041</b>
Cash and cash equivalent at the beginning of the year	-
<b>Cash and cash equivalent at the end of the year (refer note 8)</b>	<b>36,608,041</b>
<b>Components of cash and cash equivalent</b>	
Current accounts	31,565,476
Cash on hand	5,042,565
<b>Total cash and cash equivalent</b>	<b>36,608,041</b>

**Notes:**

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows.

**Significant accounting policies**

1-2

The accompanying notes referred to above formed an integral part of the financial statements

As per our report of even date attached  
For S S Kothari Mehta & Company  
Chartered Accountants  
Firm's registration number: 0007566

Harish Gupta

Partner

Membership number: 098336



For and on behalf of the board of directors of  
BLS Kendras Private Limited

*(Signature)*  
(Dinesh Sharma)  
Director  
DIN No. 00956860

*(Signature)*  
(Sanjeev Kumar)  
Director  
DIN No. 02826773

Place : New Delhi

Date : 18th May 2019



**BLS KENDRAS PRIVATE LIMITED**

(CIN: U74999DL2018PTC331178)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019****A. Equity Share Capital**

Amount in INR

Total

Changes in equity shares capital during the year

As at March 31, 2019

5,000,000

5,000,000

**B. Other Equity**

Amount in INR

Retained Earnings

Total

Balance as at April 01, 2018 (a)

Addition during the year:

Loss for the year transferred from statement of profit and loss

Total comprehensive income for the year 2018-19 (b)

(13,409,841)

(13,409,841)

(13,409,841)

(13,409,841)

Balance as at March 31, 2019 C=(a+b)

(13,409,841)

(13,409,841)

Significant accounting policies

1-2

The accompanying notes referred to above formed an integral part of the financial statements

As per our report of even date attached

For S S Kothari Mehta &amp; Company

Chartered Accountants

Firm's registration number: 000756N

Harish Gupta

Partner

Membership number: 098336

For and on behalf of the board of directors of  
BLS Kendras Private Limited  
(Dinesh Sharma)  
Director  
DIN No. 00956860  
(Sanjeev Kumar)  
Director  
DIN No. 02826773

Place : New Delhi

Date : 18th May 2019



**1 Corporate information**

BLS Kendras Private Limited is a private company incorporated in India under Indian Companies Act, 2013. The registered office is located at G-4B-1, Extension, Mohan Co-Operative Indl. Estate Mathura Road New Delhi.

The Punjab Sewa Kendra (PSK) -Which is an e-governance project- was awarded to the company by Punjab State government to provide citizen Services with the setting up of Sewa Kendras across the state.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on May 18, 2019.

**I Basis of Preparation of Financial Statements**

**(i) Statement of Compliance :**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

**(ii) Basis of Preparation:**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policy set out below:

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share-based Payment, leasing transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 - Impairment of Assets.

**(iii) Functional & Presentation Currency:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency.

**(iv) Use of Estimates:**

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**(v) Current & Non current classification:**

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.





**2 Significant Accounting Policies for the year ended March 31, 2019**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

**(a) Revenue recognition**

**Rendering of Services**

The Company earns revenue primarily from providing Citizens services through Sewa Kendras of Punjab State E Governance Society which are operationally controlled, maintained and Managed by the company.

The Company also provide a list of various related value added services like Courier , Domestic Money Transfer , Aadhar card etc.

Revenue from services is recognized upon receipt of money from applicants in an amount that reflects the consideration which the company receive in exchange for the services rendered.

**Other Income**

**-Interest income**

Interest income is recognized on time proportion basis using the effective interest method.

**-Dividend Income**

Dividend income is accounted for when the right to receive the dividend is established.

**(b) Property Plant and Equipment**

Property, plant and equipment are carried at historical cost of acquisition, less accumulated depreciation . Cost includes purchase price and also other cost 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.

Subsequent expenditures 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 costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation is provided on written down value method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on written down value at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013. The residual value, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year and adjusted prospectively, if appropriate.

**(c) Intangible Assets**

Intangible Assets are recognised, when it is probable that if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible asset with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised

**(d) Impairment**

The carrying amount of Property, plant and equipment's, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.



*Signature*  
*Sanjeev Kumar*



**(e) Financial Instruments**

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

**Financial assets**

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

**Financial Assets at Amortised Cost**

At the date of initial recognition, financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Financial Assets at Fair value through Other Comprehensive Income**

At the date of initial recognition, financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

**Financial Assets at Fair value through Profit or Loss**

At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at fair value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment**

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**De-recognition**

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.



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*Sangeet Kumar*



### **Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Offsetting of Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **(f) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### **(g) Leases**

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **Company as a Lessee**

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

### **(h) Employee Benefit**

#### **i. Gratuity**

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such gains or losses arise.

#### **ii. Other short term benefits**

Expense in respect of other short term benefit is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.



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**(i) Earning Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**(ii) Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities. Deferred tax is not recognised for:

- i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.



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*Gangee Kumar*



#### **Minimum Alternate Tax**

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

#### **(k) Borrowing Cost**

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

#### **(l) Cash & Cash Equivalents**

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

#### **(m) Provisions, Contingent Assets & Contingent Liabilities:**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

#### **(n) Cash Flow Statements**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

#### **(p) Operating Segments**

##### **(i) Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

##### **(ii) Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

##### **(iii) Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.



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*[Handwritten signature: Sanjeev Kumar]*



### III Significant Accounting Judgements, Estimates & Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

#### a) **Income taxes**

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

#### b) **Contingencies**

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

#### c) **Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

#### d) **Defined Benefit Plans**

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



Sanyee Kumar



#### IV Standards issued but not yet effective

The amendments to the standards are issued, but not yet effective, upto the last date of financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

##### **(a) Ind AS 116 Leases**

Ind AS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. Ind AS 116 will supersede the current lease guidance including Ind AS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after April 01, 2019. The date of initial application of Ind AS 116 for the Company will be April 01, 2019.

The Company is in the process of making an assessment of the impact of Ind AS 116 upon initial recognition, which is subject to changes arising from more detailed ongoing analysis. The management cannot provide a reasonable estimate of effects of the application of the Standard as they have not completed their impact assessment as at the reporting date.

##### **(b) Amendment to existing issued Ind AS**

The MCA has also carried out amendments in following accounting standards. These are:

- i) Ind AS 12 Income taxes to 'Appendix C' Uncertainty over income tax treatments.
- ii) Ind AS 19 Employee Benefits
- iii) Ind AS 23 Borrowing Costs
- iv) Ind AS 28 Investments in Associates and Joint Ventures
- v) Ind AS 109 Financial Instruments
- vi) Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Company's financial statements.



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3 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross carrying value			Depreciation/ Amortisation		Amount in INR	
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at April 01, 2018	Charge for the year	As at March 31, 2019	Net Carrying Value
Computers	-	324,720	-	-	27,872	27,872	296,848
<b>Total</b>	-	324,720	-	-	27,872	27,872	296,848

4 INTANGIBLE ASSETS

Particulars	Gross carrying value			Depreciation/ Amortisation		Amount in INR	
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at April 01, 2018	Charge for the year	As at March 31, 2019	Net Carrying Value
Computer Software	-	51,600	-	-	10,033	10,033	41,567
<b>Total</b>	-	51,600	-	-	10,033	10,033	41,567



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

5	Other financial assets: non current	Amount in INR
		As at
		March 31 2019
	Carried at amortised cost	
	Security deposits	1,079,863
	Total	1,079,863
6	Deferred tax asset & (liabilities)(Net)	Amount in INR
		As at
		March 31 2019
	Deferred tax liability on account of	
	Timing difference on depreciation and amortisation	13,890
	Others	
	Total deferred tax liability (A)	13,890
	Deferred tax asset on account of	
	Timing difference on gratuity	162,835
	Timing difference on preliminary expenses	18,054
	Total deferred tax asset (B)	180,889
	Deferred tax Asset (Net) (B-A)	166,999
	Financial Assets	
7	Trade receivables	Amount in INR
		As at
		March 31 2019
	Unsecured	
	Trade receivables	
	Considered good	6,283,858
	Less: Allowance for expected credit losses	-
	Total	6,283,858
8	Cash and cash equivalents	Amount in INR
		As at
		March 31 2019
	Balance with banks:	
	Current account	31,565,476
	Cash in hand	5,042,565
	Total	36,608,041
9	Bank balance other than cash and cash equivalents	Amount in INR
		As at
		March 31 2019
	Fixed deposit having a remaining maturity period of more than three month but less than twelve months.*	50,000,000
	Total	50,000,000
	* Pledge against Bank Guarantee	



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10	Other Financial Assets	Amount in INR
		As at
		March 31 2019
	Receivables from Punjab Govt (PSeGS)	353,224
	Advance to employees	157,153
	Interest accrued on fixed deposit	2,019,155
	<b>Total</b>	<b>2,529,532</b>

11	Other Current assets	Amount in INR
		As at
		March 31 2019
	Balance with statutory/ government authorities	12,268,265
	Wallet Assets	2,092,584
	Advance against material & services	3,142,056
	Prepaid expenses	1,138,767
	<b>Total</b>	<b>18,641,672</b>

13	Other Equity	Amount in INR
		As at
		March 31 2019
	<b>Retained earnings</b>	
	Add: Profit/(Loss) for the year transferred from statement of profit and loss	(13,409,841)
	<b>Total</b>	<b>(13,409,841)</b>

14	Provisions - Non- Current	Amount in INR
		As at
		March 31 2019
	Provision for employee benefit:*	624,811
	<b>Total</b>	<b>624,811</b>

\*Refer Note no 32

#### Financial liabilities : Current

15	Borrowings	Amount in INR
		As at
		March 31 2019
	<b>Loans Repayable on demand:</b>	
	<b>Unsecured</b>	
	Loan from holding company*	46,000,000
	<b>Total</b>	<b>46,000,000</b>

\* Amount due to holding company Rs.4,60,00,000 /- ( refer note no.33)

The company has taken loan from holding company for its business activities. The loans are unsecured and repayable on demand. The loan carried an interest @10% to 12% per annum.



*Sangeet Kumar*



12 EQUITY SHARE CAPITAL

Amount in INR

Particulars	As at March 31, 2019
<b>Authorized Share Capital</b>	
500,000 equity shares of Rs. 10/- each	5,000,000
<b>Issued, subscribed and fully paid-up</b>	
500,000 equity shares of Rs. 10/- each	5,000,000
<b>Total</b>	<b>5,000,000</b>

a.) Reconciliation of the number of shares

Particulars	As at March 31, 2019	
	Number of shares	Amount in Rs.
Issue of share capital during the year	500,000	5,000,000
<b>Balance as at the closing of the year</b>	<b>500,000</b>	<b>5,000,000</b>

b.) Rights, preferences and restrictions attached to shares

**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 holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion of the number of equity shares held by the shareholders. The dividend Proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting except in the case of Interim Dividend.

c.) Numbers of shares held by holding company/ultimate holding company

Particulars	As at March 31, 2019
<b>Holding Company</b>	
BLS International Services Limited	500,000

d.) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2019	
	Number of shares	% of holding in the class
<b>Equity shares of Rs.10 each</b>		
BLS International Services Limited*	500,000	100%

\* one share hold by nominee share holder

e). The Company has not issued any bonus shares and there is no buy back of shares in the current year.

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*Sanjeev Kumar*



16	<b>Trade Payable</b>	<b>Amount in INR</b> As at <b>March 31 2019</b>
	Total outstanding dues to micro enterprises and small enterprises (refer note no. 31)	-
	Total outstanding dues to creditors other than micro enterprises and small enterprises	10,331,891
	<b>Total</b>	<b>10,331,891</b>
17	<b>Other financial liabilities</b>	<b>Amount in INR</b> As at <b>March 31 2019</b>
	- Expenses payable	41,015,997
	- Payable to employees	2,020,673
	- Government fees payable	1,065,943
	- Interest accrue but not due to holding company*	2,657,095
	- Loan & advances others	50,000
	- Branch control	2,351,944
	<b>Total</b>	<b>49,161,652</b>
	*Refer note no 33	
18	<b>Other Current Liabilities</b>	<b>Amount in INR</b> As at <b>March 31 2019</b>
	Statutory dues payable	13,707,343
	Other payable	4,231,048
	<b>Total</b>	<b>17,938,391</b>
19	<b>Provision : Current</b>	<b>Amount in INR</b> As at <b>March 31 2019</b>
	Provision for employee benefit (Refer note 32)	1,476
	<b>Total</b>	<b>1,476</b>



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*Sanjeev Kumar*



**BLS KENDRAS PRIVATE LIMITED**  
**(CIN: U74999DL2018PTC331178)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

20	<b>Revenue from operations</b>	<b>Amount in INR</b> <b>Year ended</b> <b>March 31, 2019</b>
	Sale of services : government to customers	229,133,350
	Sale : business to customers	4,119,959
	<b>Total</b>	<b>233,253,309</b>
21	<b>Other Income</b>	<b>Amount in INR</b> <b>Year ended</b> <b>March 31, 2019</b>
	Miscellaneous income	195,000
	Interest on fixed deposit receipts	2,243,505
	<b>Total</b>	<b>2,438,505</b>
22	<b>Purchases</b>	<b>Amount in INR</b> <b>Year ended</b> <b>March 31, 2019</b>
	Purchase of pan coupons	2,235,569
	Purchase of E-recharge coupons	1,305,979
	<b>Total</b>	<b>3,541,548</b>
23	<b>Cost of Services</b>	<b>Amount in INR</b> <b>Year ended</b> <b>March 31, 2019</b>
	Manpower cost	155,897,172
	PSEGS contract expense	11,421,867
	Contractual manpower	990,844
	<b>Total</b>	<b>168,309,883</b>
24	<b>Employee benefit expense</b>	<b>Amount in INR</b> <b>Year ended</b> <b>March 31, 2019</b>
	Salaries and wages, bonus etc.	16,851,865
	Staff welfare expense	156,197
	Contribution to provident & other funds	626,287
	<b>Total</b>	<b>17,634,349</b>
25	<b>Finance Cost</b>	<b>Amount in INR</b> <b>Year ended</b> <b>March 31, 2019</b>
	Interest on loan from holding company*	2,952,328
	Other financials charges	2,125,315
	<b>Total</b>	<b>5,077,643</b>
	* Refer note no. 33	
26	<b>Depreciation and amortisation expense</b>	<b>Amount in INR</b> <b>Year ended</b> <b>March 31, 2019</b>
	Depreciation on property, plant & equipment (refer note 3)	27,872
	Amortization on intangible assets (refer note 4)	10,033
	<b>Total</b>	<b>37,905</b>



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<b>27</b>	<b>Other Expenses</b>	<b>Amount in INR</b>
		<b>Year ended</b>
		<b>March 31, 2019</b>
	Payment to auditor's (refer note no. 27.1)	300,000
	Rent expense	1,376,389
	Printing & stationery expense	3,858,289
	Software expense	3,497,929
	Legal & professional expenses	3,906,500
	Repair & maintenance expense- others	506,328
	Diesel & fuel expense	2,263,167
	Office maintenance expense	118,873
	Communication cost	2,711,500
	Sewa kendra expenses	30,267,058
	Vehicle running & maintenance expense	492,062
	Advertisement expense	51,990
	Business promotion expense	11,594
	Conveyance & travelling expense	4,418,791
	Miscellaneous expense	606,580
	Insurance expense	280,276
	<b>Total</b>	<b>54,667,326</b>

<b>27.1</b>	<b>Payment to auditors</b>	<b>Amount in INR</b>
		<b>Year ended</b>
		<b>March 31, 2019</b>
	Statutory audit fees	300,000
	<b>Total</b>	<b>300,000</b>

<b>28</b>	<b>Earning Per Share (EPS)</b>	<b>Amount in INR</b>
		<b>Year ended</b>
		<b>March 31, 2019</b>
	Net loss after tax as per statement of profit and loss attributable to equity shareholders (Rs.)	(13,409,841)
	Weighted average number of equity shares used as denominator for calculating basic EPS	500,000
	Weighted average potential equity shares	-
	total Weighted average number of equity shares used as denominator for calculating diluted EPS	500,000
	Loss per share (Basic & Diluted)	(26.82)
	face value per equity share (Re.)	10

<b>29</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS ( TO THE EXTENT NOT PROVIDED FOR)</b>	<b>Year ended</b>
		<b>March 31, 2019</b>
	Guarantees issued by the bank on behalf of the Company	200,000,000



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**30 LEASES**

The Company has taken premises for office under cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation.

Lease and rent payments recognised in statement of profit an loss amounting Rs. 13,76,389/-

**31 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

Based on the information available, there are no vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	As at March 31, 2019
Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 are provided as under to the extent the Company has received intimation from the suppliers regarding their status under the Act.	-
Principal amount remaining unpaid at the end of the year	-
Interest due thereon remaining unpaid at the end of the year	-
Delayed payment of Principal amount paid beyond appointed date during the entire financial year	-
Interest actually paid under Section 16 of the Act during the entire accounting year	-
Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	-
Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid)	-
Interest accrued and remaining unpaid at the end of the year	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act	-



*Sanjeev Kumar*



**32. Employee Benefits**

**Table Showing Changes in Present Value of Obligations:**

Period	Amount in (INR) From: 01/04/2018 To: 31/03/2019
Present value of the obligation at the beginning of the period	-
Interest cost	-
Current service cost	-
Benefits paid (if any)	-
Actuarial (gain)/loss	-
Present value of the obligation at the end of the period	626,287

**Bifurcation of total Actuarial (gain) /loss on liabilities**

Period	Amount in (INR) From: 01/04/2018 To: 31/03/2019
Actuarial gain/ losses from changes in Demographics assumptions (mortality)	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	-
Experience Adjustment (gain)/ loss for Plan liabilities	-
Total amount recognized in other comprehensive Income	-

**The amount to be recognized in the Balance Sheet**

Period	As on: 31/03/2019
Present value of the obligation at the end of the period	626,287
Fair value of plan assets at end of period	-
Net liability/(asset) recognized in Balance Sheet and related analysis	626,287
Funded Status	(626,287)
Best estimate for contribution during next Period	-

**Expense recognized in the statement of Profit and Loss**

Period	From: 01/04/2018 To: 31/03/2019
Interest cost	-
Current service cost	-
Expected return on plan asset	-
Expenses to be recognized in the statement of P&L accounts	-

**Other comprehensive (income)/expenses (Remeasurement)**

Period	From: 01/04/2018 To: 31/03/2019
Actuarial (gain)/loss - obligation	-
Actuarial (gain)/loss - plan assets	-
Total Actuarial (gain)/loss	-



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*Sanjeer Kumar*



## Experience Adjustment

Period	From: 01/04/2018 To: 31/03/2019
Experience Adjustment (Gain)/loss for Plan liabilities	-
Experience Adjustment Gain/ (loss) for Plan assets	-

Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31/03/2019
Number of employees	17
Total monthly salary	907,051
Average Past Service(Years)	1.7
Average remaining working lives of employees(Years)	18.5
Average Age(years)	39.5
Weighted average duration (based on discounted cash flows) in years	19
Average monthly salary	53,356

The assumptions employed for calculations are tabulated:

Discount rate	7.75 % per annum
Salary Growth Rate	7.00 % per annum
Mortality	IALM 2006-08 Ultimate
Expected rate of return	-
Withdrawal Rate (per annum)	5.00 % p.a.

The weighted average duration of the Defined Benefit plan is 17 years

Current Liability (\*It is probable outlay in next 12 months as required by the Companies Act) :

Period	As on: 31/03/2019
Current Liability (Short Term)*	1,476
Non Current Liability (Long Term)	624,811
Total Liability	626,287

Sensitivity Analysis :

Period	As on 31.03.2019
Defined benefit obligation (Base)	6,26,287 @ salary increase rate : 7 % and discount rate : 7.75%
Liability with x % increase in Discount rate	5,80,406; x= 1.00% [ change 7%]
Liability with x % increase in Discount rate	6,80,200; x= 1.00% [ change 9%]
Liability with x % increase in salary growth rate	6,80,060; x= 1.00% [ change 9%]
Liability with x % decrease in salary growth rate	5,79,700; x= 1.00% [ change 7%]
Liability with x % increase in withdrawal rate	6,16,593; x= 1.00% [ change 2%]
Liability with x % decrease in withdrawal rate	6,35,657; x= 1.00% [ change 1%]

Maturity Profile of projected benefit obligation: from the fund

	For the year ended March 31, 2019 Gratuity (Unfunded)
1st Following Year	499,034
2nd Following Year	-
3rd Following Year	-
4th Following Year	-
5th Following Year	-
After 5 Years	-



*Sangeet Kumar*



33 Ind AS 24 Related Party Disclosures

A) Holding Company	Country of incorporation
BLS International Service Limited	India
B) Subsidiaries of Holding company	India
BLS E-Services Private Limited	
C) Key Management Personnel (KMP)	Designation
Mr. Dinesh Sharma	Director
Mr. Sanjeev Kumar	Director
Ms. Shivani Mishra	Director

D) Transaction and balances with related parties during the Year

The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Nature of Transaction	2018-19
1 BLS International Service Limited	Reimbursement of Expenses (Paid)	185,154
	Loan received during the year	50,000,000
	Loan repaid during the year	4,000,000
	Interest expenses on Borrowings	2,952,327
	Amt received	636,313
	Rent paid as a sub rental	560,525
	<b>Closing Balance</b>	
	Loan payable	46,000,000
	Interest payable	2,657,095
	Other payables	202,252
	<b>Off balance sheet items</b>	
	Performance bank guarantee taken	200,000,000
2 BLS E-Services Private Limited	Purchase of E-wallet top up	113,681,532
	E-wallet redeemed	71,500,000
	Commission income	575,515
	<b>Closing Balance</b>	
	E-wallet Assets	2,092,584



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*Sanjeev Kumar*



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

34 Income Taxes

a. Amount recognised in Statement of Profit and Loss

	Amount in (INR)
	For the year ended
	March 31, 2019
Current Income Tax	
Current year	-
Total	-
Deferred Tax	(166,999)
Total	(166,999)

b. Reconciliation of Tax expense

	For the year ended
	March 31, 2019
Reconciliation of effective tax rate	
Loss before tax	(13,576,840)
Enacted income tax rate*	26.00%
Income tax credit calculated at Income tax rate	(3,529,978)
Add/(deduct) impact of:	
Less : Effect of income tax that is exempt for tax	(3,362,980)
Tax Expense	(166,999)

\* tax rate of 26.00% includes corporate tax of 25% and Secondary and Higher Education Cess of 4% on the tax amount



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*Sanjeev Kumar*



35 FINANCIAL INSTRUMENTS

35(A) CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

Sl.No	Particulars	Note	Amount in (INR)	
			As at March 31, 2019	
			Non-current	Current
<b>a)</b>	<b>Financial assets designated at amortised cost</b>			
(i)	Term deposits pledge against bank guarantee	9	-	50,000,000
(ii)	Security deposits	5	1,079,863	-
(iii)	Cash & Cash Equivalents	8	-	36,608,041
(iv)	Trade receivables	7	-	6,283,858
(v)	Other financial current assets	10	-	2,529,532
			<b>1,079,863</b>	<b>45,421,431</b>
<b>b)</b>	<b>Financial liability designated at amortised cost</b>			
(i)	Loan from related party	15	-	46,000,000
(ii)	Trade payables	16	-	10,331,891
(iii)	Other financial current liability	17	-	49,161,652
			-	<b>105,493,543</b>

35(B) FAIR VALUE MEASUREMENTS

(i) Financial instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

35(C). FINANCIAL RISK MANAGEMENT- OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payable and others payable. The company's financial assets comprise mainly of investments, cash and cash equivalents, other bank balances, loans, trade payable and other receivables.

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk; and
- Market risk

a) Risk management framework

The Company's board of directors has the overall responsibility for the management of these risks and is supported by Management Advisory Committee that advises on the appropriate financial risk governance framework. The Company has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the Company. The framework seeks to identify, assess and mitigate financial risk in order to minimise potential adverse effects on the company's financial performance.



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*Sanjeev Kumar*



**b) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises from the operating activities primarily (trade receivables) and investing activities including deposits with banks and other corporate deposits. The company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. A default of financial assets is when there is a Significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the company is certain about the non-recovery.

**(i) Trade & other receivables:**

Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments. The company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

**Expected Credit loss under simplified approach for Trade receivables:**

Ageing	Amount in INR
	As at March 31, 2019
Ageing of gross carrying amount	
0-6 months	
More than 6 months	6,283,858
Gross Carrying amount	-
Expected Credit loss	6,283,858
Net carrying amount	-
	6,283,858

**(ii) Financial instruments and cash deposits :**

Credit risk from balances with banks and other financial instruments is managed by Company in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management, and may be updated throughout the year.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

Based on the assessment there is no impairment in the above financial assets.



*[Signature]* Sanjeev Kumar



**C) Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for maintenance of liquidity, continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfilment obligation.

**Maturity profile of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	Less than 1 year	1-5 years	More than 5 Years	Total
<b>As at March 31, 2019</b>				
Loan from related party	46,000,000	-	-	46,000,000
Trade payables	10,331,891	-	-	10,331,891
Other financial current liability	49,161,652	-	-	49,161,652

**D) Market Risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

i) The Company is not exposed to market risk primarily related to foreign exchange rate risk (currency risk) and market value of its investments.

**ii) Interest Rate Risk and Sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

**35(d) Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital management is to maximise shareholder's value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

The Company manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:

Particulars	Amount in (INR)	
	As at March 31, 2019	
Borrowings (Non current)		
Borrowings (Current)		46,000,000
Less: Cash and cash equivalents including bank balances		(36,608,041)
Total Debt(i)	A	9,391,959
Total Equity(ii)		(8,409,841)
<b>Overall financing (i)+(ii)</b>	<b>B</b>	<b>982,118</b>
<b>Gearing ratio</b>	<b>A/B</b>	<b>9.56</b>

No changes were made in the objectives, policies or processes for managing capital of the Company during the current year

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*[Signature]*

*Sanjeev Kumar*



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**36 Segment information**

**Information about primary segment**

The company has engaged in the business of providing citizen services under an e-governance projects of Punjab state Govt. and has only reportable segment in accordance with IND AS-108 'Operating Segment'.

- 37 The Company was incorporated on March 19, 2018 share capital amount has been received from investor in April, 2018. Hence, the accounts are prepared for the period from March 19, 2018 to March 31, 2019. This being the first year, previous year's figures are not applicable
- 38 The company has incurred losses in the CY, which have resulted into complete erosion of its net worth. However, in view of the assurance given by the promoters of the company & board of directors of the holding company to provide full financial & operational support to the company. furthermore, this is the first year of incorporation of the company and the management is confident that they will achieve the profit in the coming years. Accordingly, these financial statements have been prepared on a going concern basis.
- 39 **Impairment Review**  
Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.  
**Key assumptions used in value-in-use calculations are:-**  
(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure
- 40 In the opinion of the management of the Company and to the best of their knowledge & belief, the value of current assets, loans and advances, if realized in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet.  
Trade and other payables, advance from customer, trade receivables and other receivables and other parties' balance are subject to confirmations & reconciliation
- 41 Notes 1 to 41 are annexed to and form an integral part of financial statements.

As per our report of even date attached  
For S S Kothari Mehta & Company  
Chartered Accountants  
Firm's registration number: 000756N

Harish Gupta  
Partner  
Membership number: 098138

Place : New Delhi  
Date : 18th May 2019



For and on behalf of the board of directors of  
BLS Kendras Private Limited

  
(Dinesh Sharma)  
Director  
DIN No. 00956860

  
(Sanjeev Kumar)  
Director  
DIN No. 02826773