

**MAFATLAL SERVICES LIMITED**

**59TH**

**ANNUAL REPORT**

**2020-21**



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MAFATLAL SERVICES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Mafatlal Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss and changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

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





The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The Company has adequate internal financial controls system in place and same are generally operating effectively as at 31<sup>st</sup> March 2021.





# A. H. DESAI & ASSOCIATES

CHARTERED ACCOUNTANTS

- g) No remuneration is paid by the Company to its directors during the year hence, the provisions of section 197 (16) of the Act is not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigation which require disclosure on its financial position in its Standalone financial statements:
  - ii As represented by the company, there are no long-term contracts including derivative contracts having material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For A.H. DESAI & ASSOCIATES**  
**Chartered Accountants**  
**(Reg. No. 102282W)**

  
**Yogesh Desai**  
**Membership No. 016487**  
**UDIN:21016487AAAAV6243**

**Date: April 30, 2021.**  
**Place: Mumbai**



## **Annexure A to the Auditor's Report**

**[Referred to in paragraph pertaining to Report on Other Legal and Regulatory Requirement of our Report of even date to the members of MAFATLAL SERVICE LIMITED on the Standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2021]**

1. The company does not hold any fixed asset. Thus, paragraph 3(i) of the order is not applicable to the company.
2. The company does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable to the company.
3. The company has not granted any loans, secured or unsecured to companies/firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The company has not granted any loans, given any guarantees and securities or made any investment which is covered under section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us and records examined by us, the company has not accepted deposits from public during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March 2021.
6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of the cost records under section 148(1) of the Act, for any of the service rendered by the company. Therefore provision of clause 3(iv) of the order is not applicable to the company.
7. According to the records examined by us and information and explanation given to us in respect of statutory dues,
  - a. The Company is regular in depositing undisputed statutory dues including Provident Fund, income tax, goods and service tax and any other material statutory dues with the appropriate authorities.
  - b. There were no undisputed amount payable in respect of Provident Fund, income tax, goods and service tax and any other material statutory dues in arrears as at March 31,2021 for a period of more than six month from the date they become payable.



- c. There are no dues of income tax, goods & service tax, sales tax, services tax or any other material statement dues as at 31<sup>st</sup> March 2021, which has not been deposited on account of dispute.
8. Based on our examination and according to the information and explanation provided to us, the Company has not taken any loans or borrowing from financial institution or bank or Government nor raised any fund through debentures.
  9. According to the information and explanation as produced before us, the Company has not raised any money by way Initial Public Offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the company.
  10. Based on the audit procedures performed by us and the information and explanations given to us for the purpose of reporting the true and fair view of the financial statements no fraud by the Company and no fraud on the Company by its officers and employees has been noticed or reported during the year.
  11. The Company has not paid or provided any managerial remuneration.
  12. The Company is not a Nidhi Company and accordingly clause 3(xii) of the Order is not applicable to the company.
  13. In our opinion and according to the information and explanations given to us, in respect of transactions with related parties:
    - a. All the transactions with related parties are in compliance with sections 177 of the Act.
    - b. Company is in compliance with section 188 of the Act and details have been disclosed in the statements etc as required by the applicable accounting standards.
  14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provision of clause 3(xiv) of the Order is not applicable to the Company.
  15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and covered by section 192 of the Act. Hence, clause 3(xv) of the Order is not applicable to the Company.





**A. H. DESAI & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For A.H. DESAI & ASSOCIATES**  
**Chartered Accountants**  
**(Reg. No. 102282W)**

**Yogesh Desai**  
**Membership No. 016487**  
**UDIN:21016487AAAAV6243**

**Date: April 30, 2021.**  
**Place: Mumbai**

**MAFATLAL SERVICES LIMITED**  
**STANDALONE BALANCE SHEET AS ON March 31, 2021**

(Amt. in INR.)

| PARTICULARS                                |                                    | NOTE | AS AT            | AS AT            |
|--|------------------------------------|------|------------------|------------------|
|  |                                    | No.  | March 31, 2021   | March 31, 2020   |
| <b><u>ASSETS</u></b>                       |                                    |      |                  |                  |
| <b>I. Non Current Assets</b>               |                                    |      |                  |                  |
| (a) Financial Assets                       |                                    |      |                  |                  |
| (i)  | Trade receivables                  | 2.a  | 33,19,725        | 33,19,725        |
| <b>II. Current Assets</b>                  |                                    |      |                  |                  |
| (a) Financial Assets                       |                                    |      |                  |                  |
| (i)  | Trade receivables                  | 2.b  | 4,37,025         | 4,01,575         |
| (ii)                                       | Cash and cash equivalents          | 2.c  | 2,46,801         | 2,05,687         |
| (iii)                                      | Bank balance other than (ii) above | 2.d  | 7,00,000         | 7,00,000         |
| (iii)                                      | Others current assets              | 2.e  | 48,626           | 2,18,402         |
| <b>Total of Assets</b>                     |                                    |      | <b>47,52,176</b> | <b>48,45,389</b> |
| <b><u>EQUITY AND LIABILITIES</u></b>       |                                    |      |                  |                  |
| <b>Equity</b>                              |                                    |      |                  |                  |
| (a)  | Equity Share Capital               | 3    | 3,10,00,000      | 3,10,00,000      |
| (b)  | Other Equity                       | 4    | (2,72,12,827)    | (2,70,86,593)    |
| <b>Liabilities</b>                         |                                    |      |                  |                  |
| <b>I. Non Current Liabilities</b>          |                                    |      |                  |                  |
| (a) Financial Liabilities                  |                                    |      |                  |                  |
| (i)  | Other Financial Liabilities        | 5.a  | 4,78,882         | 4,78,882         |
| (b)  | Provisions                         | 5.b  | 1,49,633         | 1,20,429         |
| <b>II. Current Liabilities</b>             |                                    |      |                  |                  |
| (a) Financial Liabilities                  |                                    |      |                  |                  |
| (i)  | Trade payables                     | 6.a  | 25,000           | 25,000           |
| (b)  | Other current liabilities          | 6.b  | 1,65,388         | 1,68,171         |
| (c)  | Provisions                         | 6.c  | 1,46,100         | 1,39,500         |
|  |                                    |      | <b>47,52,176</b> | <b>48,45,389</b> |
| Summary of Significant Accounting Policies |                                    | 1    |                  |                  |

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

As per our report of even date

For A.H.Desai & Associates

Chartered Accountants

Registration No. 102282W

Yogesh Desai

Proprietor

Membership No.016487

Place: Mumbai

Date :- April 30, 2021

For and on behalf of the Board of Directors

Mafatlal Services Limited

H.A.MAFATLAL

Chairman

(DIN 00009872)

R.R.Likhite

Director

(DIN 00047169)

Place: Mumbai

Date :- April 30, 2021

**MAFATLAL SERVICES LIMITED**

**Standalone Statement of profit and loss for the year ended March 31, 2021**

|   |          | (Amt. in INR ) |                |
|---|----------|----------------|----------------|
| PARTICULARS                                       | NOTE No. | Year ended     | Year ended     |
|   |          | March 31, 2021 | March 31, 2020 |
| i Revenue from operations                         | 7.a      | 25,63,658      | 31,00,668      |
| ii Other income                                   | 7.b      | 39,534         | 52,691         |
| iii Total income(i+ii)                            |          | 26,03,192      | 31,53,359      |
| iv Expenses                                       |          |                |                |
| Employee benefit expenses                         | 8        | 19,43,386      | 21,45,989      |
| Other expenses                                    | 9        | 6,59,806       | 10,07,370      |
| Total expenses(iv)                                |          | 26,03,192      | 31,53,359      |
| v Profit before exceptional items and tax(iii-iv) |          | -              | -              |
| vi Exceptional items                              |          | -              | -              |
| vii Profit/(loss) before tax(v-vi)                |          | -              | -              |
| viii Tax expense                                  |          |                |                |
| - Current tax                                     |          | -              | -              |
| - Tax expenses for prior period                   |          | 1,26,234       | -              |
| Total tax expense/(credit)                        |          | (1,26,234)     | -              |
| ix Profit/(loss) for the period (vii-viii)        |          | (1,26,234)     | -              |
| x Earning per equity share (Note No.14)           |          |                |                |
| - Basic   |          | (0.41)         | -              |
| - Diluted   |          | (0.41)         | -              |

**Summary of Significant Accounting Policies**

1

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

As per our report of even date

For A.H.Desai & Associates

Chartered Accountants

Registration No. 102282W

  
Yogesh Desai

Proprietor

Membership No.016487

Place: Mumbai

Date :- April 30, 2021

For and on behalf of the Board of Directors  
MAFATLAL SERVICES LIMITED




H.A.MAFATLAL   
Chairman  
(DIN 00009872)

R.R.Likhite   
Director  
(DIN 00047169)

Place: Mumbai

Date :- April 30, 2021



| MAFATLAL SERVICES LIMITED  |                              |                              |
|--|------------------------------|------------------------------|
| Standalone Statement of Cash Flows for the year ended March 31, 2021   |                              |                              |
| (Amt. in INR )   |                              |                              |
| PARTICULARS  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>A. Cash Flow form Operating activities</b>  |                              |                              |
| Net Profit/(Loss) after exceptional items and before tax as per the Statement of Profit and Loss   | -                            | -                            |
| Adjustments to reconcile profit before tax to net cash flow-   |                              |                              |
| Interest Income  | (39,534)                     | (52,691)                     |
| <b>Operating Profit Before Working Capital Changes</b>   | <b>(39,534)</b>              | <b>(52,691)</b>              |
| Working Capital Changes:   |                              |                              |
| Change in current trade receivables  | (35,450)                     | 8,193                        |
| Change in other current assets   | 1,69,776                     | 1,13,180                     |
| Change in non current provisions   | 29204                        | 31,750                       |
| Change in trade payable  | -                            | (10,000)                     |
| Change in other current liability  | (2,783)                      | (15,345)                     |
| Change in current provisions   | 6,600                        | 47,260                       |
| <b>Net change in Working Capital</b>   | <b>167,348</b>               | <b>1,75,038</b>              |
| <b>Cash generated from Operations</b>  | <b>127,814</b>               | <b>1,22,347</b>              |
| Direct tax adjustments   | (1,26,234)                   | -                            |
| <b>Net Cash generated from Operating Activities</b>  | <b>1,580</b>                 | <b>1,22,347</b>              |
| <b>B. Cash Flow form Investing Activities</b>  |                              |                              |
| Interest Income  | 39534                        | 52,691                       |
| <b>Net Cash generated from Investing Activities</b>  | <b>39534</b>                 | <b>52,691</b>                |
| <b>C. Cash Flow form Financing activities</b>  |                              |                              |
| <b>Net Cash generated from Financing Activities</b>  | <b>-</b>                     | <b>-</b>                     |
| Net Increase/(Decrease) in cash and cash equivalents   | 41,114                       | 1,75,038                     |
| Cash and Cash Equivalents at the beginning of the year   | 205,587                      | 30,649                       |
| Cash and Cash Equivalents at the end of the year   | 246,801                      | 2,05,687                     |
| PARTICULARS  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
| <b>Cash and cash equivalents comprise of : (Note No.2.c)</b>   |                              |                              |
| Cash on hand   | 14,050                       | 14,423                       |
| Balance with bank  | 2,32,751                     | 1,91,264                     |
| <b>Cash and cash equivalents</b>   | <b>2,46,801</b>              | <b>2,05,687</b>              |
| <b>Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flow.</b>   |                              |                              |
| The accompanying notes are an integral part of the financial statements.   |                              |                              |
| As per our report of even date   |                              |                              |
| For A.H.Desai & Associates   |                              |                              |
| Chartered Accountants  |                              |                              |
| Registration No. 102282W   |                              |                              |
| <br>Yogesh Desai<br>Proprietor<br>Membership No.016487  |                              |                              |
| Place: Mumbai<br>Date :- April 30, 2021  |                              |                              |
| For and on behalf of the Board of Directors<br>MAFATLAL SERVICES LIMITED<br><br>H.A.MAFATLAL <br>Chairman<br>(DIN 00009872)<br><br>R.R.Likhite <br>Director<br>(DIN 00047169)<br><br>Place: Mumbai<br>Date :- April 30, 2021 |                              |                              |

**MAFATLAL SERVICES LIMITED**  
**Standalone Statement of changes in Equity of year ended March 31, 2021**

**A. Equity share capital**

(Amt. in INR )

**Balance**

**Note No.3**

**As at April 1, 2020**

Change in Equity Share Capital

3,10,00,000

**As at March 31, 2021**

3,10,00,000

**B. Other Equity**

**Attributable to the equity holder**

| <b>PARTICULARS</b>                  | <b>Reserves and Surplus<br/>Retained Earning<br/>Note No. 4</b> | <b>TOTAL</b>  |
|-------------------------------------|---|---------------|
| <b>Balance as at April 1, 2019</b>  | (2,70,86,593)   | (2,70,86,593) |
| Profit/Loss for the year            | -   | -             |
| <b>Balance as at March 31, 2020</b> | (2,70,86,593)   | (2,70,86,593) |
| <b>Balance as at April 1, 2020</b>  | (2,70,86,593)   | (2,70,86,593) |
| Profit/Loss for the year            | (1,26,234)  | (1,26,234)    |
| <b>Balance as at March 31, 2021</b> | (2,72,12,827)   | (2,72,12,827) |

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

As per our report of even date

For A.H.Desai & Associates

Chartered Accountants

Registration No. 102282W


For and on behalf of the Board of Directors  
MAFATLAL SERVICES LIMITED

H.A.MAFATLAL  
Chairman  
(DIN 00009872)



  
Yogesh Desai  
Proprietor  
Membership No.016487

R.R.Likhite  
Director  
(DIN 00047169 )



Place: Mumbai

Date :- April 30, 2021

Place: Mumbai

Date :- April 30, 2021

## 1. Statement of Compliance and Basis of Preparation

### 1.1 Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other relevant provisions of the Act.

### 1.2 Basis of Measurement

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

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii. Defined benefit plans - plan measured at fair value<sup>2</sup>.

### 1.3 Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented.

#### 1.3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised within twelve months after the reporting period (with in operating period); or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

#### Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

#### 1.3.2 Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### 1.3.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

##### Rendering of services

Revenue is recognized based on the period in which services are rendered in accordance with the terms of contracts.

##### Interest income

Interest is recognised on a time-proportion basis, reflecting the effective yield of the asset.

#### 1.3.4 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

##### i. Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

##### ii. Subsequent measurement of financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets at fair value through profit or loss (FVTPL)

##### iii. Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire



- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Financial Liabilities**

##### **i. Initial recognition and measurement of financial liabilities**

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

##### **ii. Subsequent measurement of financial liabilities**

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

• Financial liabilities at fair value through profit or loss • Loans and Borrowings • Financial guarantee contracts

##### **iii. Derecognition of financial liabilities**

A financial liability is derecognised from its balance sheet when, and only when, it is extinguished

##### **Offsetting of financial instruments**

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

#### **1.3.5 Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **1.3.6 Employee Benefits**

##### **i. Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

##### **ii. Post-Employment Benefits-Defined contribution plan**

The Company's approved provident fund scheme, super annuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

##### **ii. Post-Employment Benefits-Defined benefit plan**

The employee's gratuity fund scheme is defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation as on date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Leave encashment is provided on the basis of accumulated leave balance at the end of the year to the credit of each employee

#### **1.3.7 Earnings per share**

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### **1.3.8 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

#### **1.3.9 Taxes**

Tax expense comprises of current income tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**MAFATLAL SERVICES LIMITED**
**NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**
**NON CURRENT ASSETS**
**2 Financial Assets**
**2.a Trade Receivables**

|                                    | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| i. Unsecured - Considered good*    | 33,19,725               | 33,19,725               |
| Less: Provision for doubtful debts | -                       | -                       |
|                                    | <u>33,19,725</u>        | <u>33,19,725</u>        |

\* Trade receivable are valued at its actuals.

**CURRENT ASSETS**
**2 Financial Assets**
**2.b Trade Receivables**

|                                    | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| i. Unsecured - Considered good*    | 4,37,025                | 4,01,575                |
| Less: Provision for doubtful debts | -                       | -                       |
|                                    | <u>4,37,025</u>         | <u>4,01,575</u>         |

\* Trade receivable are valued at its actuals.

**2.c Cash and Cash Equivalents**

|                       | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|-----------------------|-------------------------|-------------------------|
| i. Balance with bank  |                         |                         |
| - in current accounts | 2,32,751                | 1,91,264                |
| ii. Cash in hand      | 14,050                  | 14,423                  |
|                       | <u>2,46,801</u>         | <u>2,05,687</u>         |

**2.d Other Bank Balance**

|   | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| i. Deposit with maturity more than 3 months but less then or equal to 12 months | 7,00,000                | 7,00,000                |
|   | <u>7,00,000</u>         | <u>7,00,000</u>         |

**2.e Other Current Assets**

|                                     | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| i. Balance with revenue authorities | 48,626                  | 2,18,402                |
|                                     | <u>48,626</u>           | <u>2,18,402</u>         |

**MAFATLAL SERVICES LIMITED**
**NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021**
**3 Equity Share Capital**

|                                     | AS AT MARCH 31, 2021 |             | AS AT MARCH 31, 2020 |             |
|-------------------------------------|----------------------|-------------|----------------------|-------------|
|                                     | No. of shares        | Amt in INR  | No. of shares        | Amt in INR  |
| Authorised :                        |                      |             |                      |             |
| Equity Shares of INR 100/- each.    | 3,50,000             | 3,50,00,000 | 3,50,000             | 3,50,00,000 |
| Issued and subscribed share capital |                      |             |                      |             |
| Equity Shares of INR 100/- each.    | 3,10,000             | 3,10,00,000 | 3,10,000             | 3,10,00,000 |
| Subscribed and fully paid           |                      |             |                      |             |
| Equity Shares of INR 100/- each.    | 3,10,000             | 3,10,00,000 | 3,10,000             | 3,10,00,000 |
| Total                               | 3,10,000             | 3,10,00,000 | 3,10,000             | 3,10,00,000 |

**3.1 Number of equity shares outstanding at the beginning of the year and at the end of year are same.**

**3.2 Terms/Right attached to equity shares**

The company has only one class of equity shares having a par value of INR 100/- per share. Each equity shareholder 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 share holders.

**3.3 Number of shares held by each of share holder holding more than 5% shares in the company**

| Name of Shareholder           | AS AT MARCH 31, 2021 |       | AS AT MARCH 31, 2020 |       |
|-------------------------------|----------------------|-------|----------------------|-------|
|                               | No. of shares        | %     | No. of shares        | %     |
| Mafatlal Industries Limited   | 2,72,800             | 88.00 | 2,72,800             | 88.00 |
| PIL Chemicals Private Limited | 22,319               | 7.20  | 22,319               | 7.20  |

**4 Other Equity**

|                  | Amt in INR           |                      |
|------------------|----------------------|----------------------|
|                  | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
| Retained Earning | (2,72,12,827)        | (2,70,86,593)        |
|                  | (2,72,12,827)        | (2,70,86,593)        |



**MAFATLAL SERVICES LIMITED**

NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

**Non Current liabilities****5 Financial Liability****5.a Other Financial Liabilities**

|             | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|-------------|-------------------------|-------------------------|
| i. Advances |                         |                         |
| - Unsecured | 4,78,882                | 4,78,882                |
|             | 4,78,882                | 4,78,882                |

**5.b Provisions**

|                                | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|--------------------------------|-------------------------|-------------------------|
| i. Leave Encashment (unfunded) | 1,49,633                | 1,20,429                |
|                                | 1,49,633                | 1,20,429                |

**Current liabilities****5 Financial Liability****6.a Trade Payable**

|           | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|-----------|-------------------------|-------------------------|
| i. Others | 25,000                  | 25,000                  |
|           | 25,000                  | 25,000                  |

**6.b Other Current Liability**

|                                  | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|----------------------------------|-------------------------|-------------------------|
| i. Statutory Dues(GST, Tds)      | 1,04,033                | 93,471                  |
| ii. Employees allowances payable | 61,355                  | 74,700                  |
|                                  | 1,65,388                | 1,68,171                |

**6.c Provision**

|                      | AS AT<br>March 31, 2021 | AS AT<br>March 31, 2020 |
|----------------------|-------------------------|-------------------------|
| i. Gratuity (Funded) | 1,39,500                | 1,39,500                |
| ii. Provident Fund   | 6,600                   | -                       |
|                      | 1,46,100                | 1,39,500                |

**MAFATLAL SERVICES LIMITED**

NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

**7.a Revenue from Operations**

|                      | YEAR ENDED<br>MARCH 31, 2021 | YEAR ENDED<br>MARCH 31, 2020 |
|----------------------|------------------------------|------------------------------|
| i. Services Rendered | 25,63,658                    | 31,00,668                    |
|                      | 25,63,658                    | 31,00,668                    |

**7.b Other Income**

|                                 | YEAR ENDED<br>MARCH 31, 2021 | YEAR ENDED<br>MARCH 31, 2020 |
|---------------------------------|------------------------------|------------------------------|
| i. Interest Income              |                              |                              |
| - interest on bank deposit      | 39,534                       | 24,415                       |
| - interest on income tax refund | -                            | 9,810                        |
| - Miscellaneous income          | -                            | 18,466                       |
|                                 | 39,534                       | 52,691                       |

**8 Employees Benefit Expenses**

|  | YEAR ENDED<br>MARCH 31, 2021 | YEAR ENDED<br>MARCH 31, 2020 |
|--|------------------------------|------------------------------|
| i. Salary and wages                                | 17,24,838                    | 17,98,870                    |
| ii. Contribution to provident fund and other funds | 1,65,098                     | 2,22,619                     |
| iii. Staff welfare expenses                        | 53,450                       | 1,24,500                     |
|  | 19,43,386                    | 21,45,989                    |

**9 Other Expenses**

|  | YEAR ENDED<br>MARCH 31, 2021 | YEAR ENDED<br>MARCH 31, 2020 |
|--|------------------------------|------------------------------|
| Audit fees   | 25,000                       | 25,000                       |
| Bank charges   | 3,823                        | 409                          |
| Conveyance   | 47,922                       | 28,180                       |
| General expenses                                       | 40,859                       | 27,904                       |
| Telephone and postage                                  | 16,903                       | 13,901                       |
| Legal professional, retention, technical & filing fees | 4,97,540                     | 8,35,345                     |
| Rate and taxes   | 2,500                        | 2,500                        |
| Printing and stationery                                | 25,259                       | 31,262                       |
| Books and periodicals                                  | -                            | 42,869                       |
|  | 6,59,806                     | 10,07,370                    |

**MAFATLAL SERVICES LIMITED****NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021****10 Disclosure pursuant to Related Party**

As per the Ind AS on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows :

**i. Name of Related Parties and Nature of Relationship :**

Holding Company:

Mafatlal Industries Limited

**ii. Disclosure in respect of Related Party Transactions :**

| PARTICULARS                        | FOR YEAR<br>2020-21 | FOR YEAR<br>2019-20 |
|------------------------------------|---------------------|---------------------|
| <b>Mafatlal Industries Limited</b> |                     |                     |
| Service Rendered (net of tax)      | 9,48,555            | 11,47,247           |
| Amount Receivable                  | 1,15,331            | 1,62,535            |

**11 Notes:**

Non current trade debtors amounting to Rs.3319725 comprises of dues receivable from two companies which were previously serviced by MSL. Transaction value of these receivables has not been revised in view of an undertaking being received by MSL that dues payable to director of these two companies from a trust serviced by MSL may be adjusted against these receivables.

**12** Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with Financial Statements prepared under Ind AS

**13** In view of lockdown across the country due to the outbreak of COVID pandemic operations at company's Mumbai office are shut down. As per management's current assessment no significant impact on carrying amounts of trade receivables and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of global health pandemic may be different from those estimated as on date of approval of these standalone financial statements.

**14 Earning per share**

| Particulars  | MARCH 31, 2021 | MARCH 31, 2020 |
|--|----------------|----------------|
| Profit After Tax (INR '000)                          | (126)          | -              |
| Weighted average number of Equity Shares outstanding | 3,10,000       | 3,10,000       |
| Basic earning per share                              | (0.41)         | -              |
| Diluted earning per share                            | (0.41)         | -              |
| Nominal value of share (INR.)                        | 100            | 100            |