



# ANNUAL REPORT

2020-21

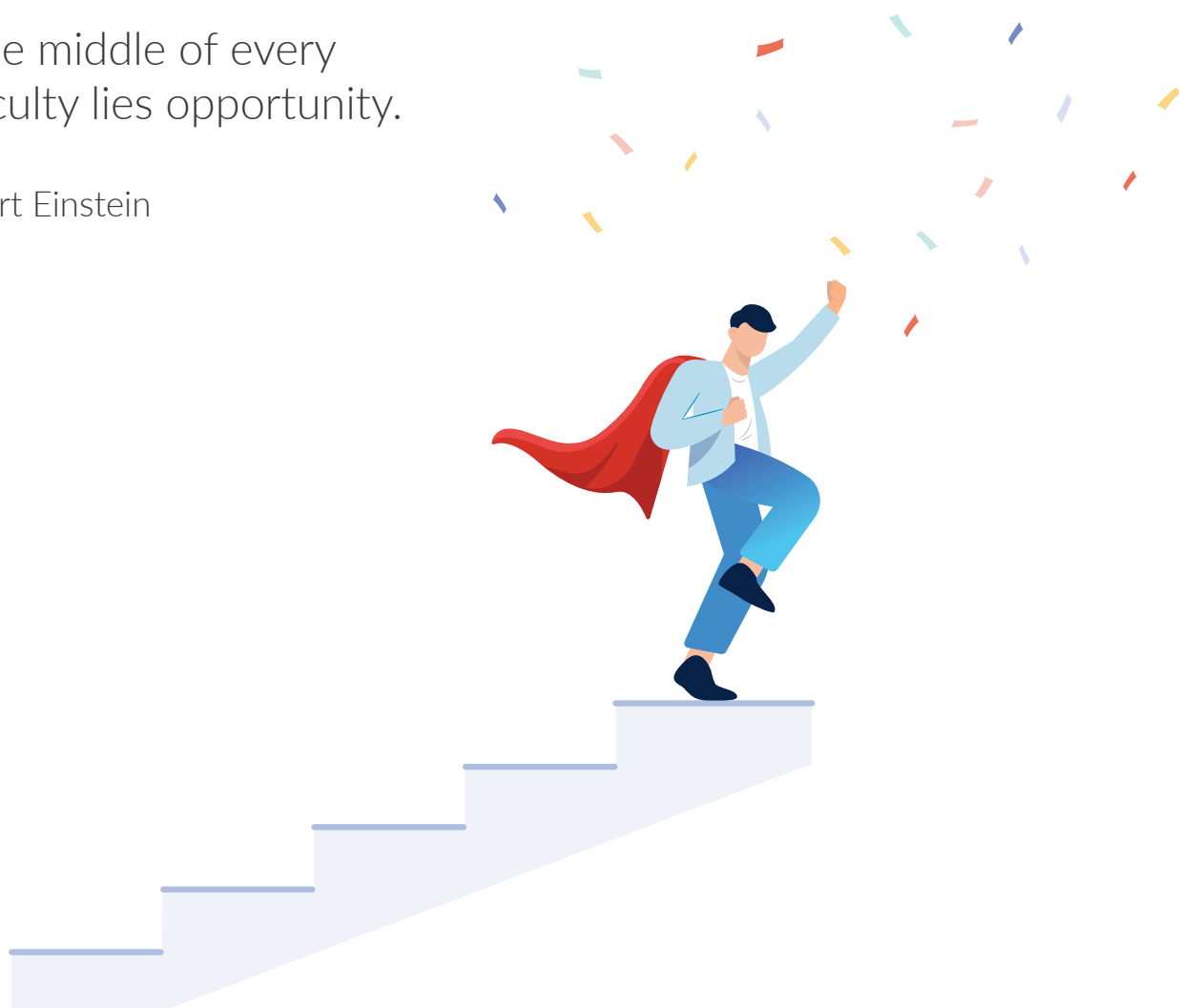


# Thriving in Uncertainty

“

In the middle of every difficulty lies opportunity.

- Albert Einstein



CIEL continues to thrive despite uncertain times. We are continuously exploring new possibilities and seizing every opportunity that is coming our way. We continue to grow by focusing on providing the best experience to our stakeholders. Our goal is to plan ahead, prepare ourselves well to make the right choices each day, deal with the challenges that come our way and emerge as a respected HR services company. Hence, FY 2020-21 Annual Report has been designed on the theme:

Thriving in Uncertainty.

# Chairperson's Message:

Dear Shareholders,

Last year (2020-21) was unique in many ways. We faced unprecedented challenges as a nation and a company. Many of our members, deputies, business partners, client representatives and their families were impacted by COVID-19. The suffering has been intense for many people around the world.

We have been privileged to be able to make progress amidst myriad painful developments around us. Our members rose to the occasion and showed a tremendous amount of commitment to our purpose. We were able to adapt to the fast-changing ground-level conditions at the local levels enabling our deputies engaged in essential services to move around without disruptions, moving all our work processes online and getting all our equipment connected online from anywhere. We were able to change our focus to market segments that were looking for talent.

As vaccines have been made available and lessons of leading life in spite of the pandemic have been learnt, businesses are busy getting on with life and making progress. Our stock market has soared, FDI investment increased by 38% in April'21 and investment by PEs and VCs have grown by 85% in the 1st quarter of 2021; latest data released by the commerce ministry on exports shows a rise by 47% in June 2021; infrastructure spending in FY22 by Central Government is budgeted to go up by 26%. Governments have declared several measures to keep the businesses running, livelihoods of people at the bottom of the pyramids to remain as unaffected as possible and promote employment generation in the country. On the whole, it is a V-shaped recovery and good news for our markets. We see opportunities and will continue to seize them in our favour.

In spite of the herculean challenges in the economy, our revenues in the FY grew over 9% vis-a-vis that in the previous year. Our CAGR of 127% over the last 6 years continues to remain way above the industry growth (estimated to be ~11%). The balance sheet grew by 10% over FY 2019-20. With our geographic footprint having grown to 54 offices across 40 locations in India, we serviced talent needs for 700+ customers during the FY. CIEL won the Great Place to Work-Certification for the 2nd time in a row. Our team has remained passionate and committed to the core values of the company: growth, professionalism, dignity and diversity.

We are confident, with the investments on people capability and technology, our geographic spread and passionate efforts to grow the business, we will be able to leverage the opportunities in the market, keep up the goodness of our internal environment and pursue excellence. We will continue to grow organically, add specialty service offerings and launch new lines of business. We will raise capital to cater to the organic as well as inorganic growth plans.

I take this opportunity to express my sincere gratitude to all our customers, partners, members, bankers and shareholders for their unrelenting support and commitment to CIEL.

Someone said, "In the middle of every difficulty lies opportunity." We're Thriving in Uncertainty by seizing every opportunity that comes our way

Wish us luck!

**#GetTheBestOutOfUs**

**Sd/- K Pandiarajan**

\*Member: full time employees of CIEL HR

\*Deputees: Flex Staff of CIEL HR

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## Board of Directors

**Mr. K. Pandiarajan**

Chairperson

**Mrs. Hemalatha Rajan**

Director

**Mr. Aditya Narayan Mishra**

Director & CEO

**Mr. Santhosh Kumar Nair**

Director & COO

### Company Secretary

**M/s. Sandeep and Associates**

No. 20, F-Block, Ground Floor,  
Gemini Parson Apts, New No. 448,  
old No. 599, Cathedral Gardem Rpad,  
Anna Salai, Chennai, Tamil Nadu 600006

### Auditors

**M/s. A. John Moris & Co.**

No. 5, Lakshmi Puram 1st Street,  
Deivasigami Street, Royapettah,  
Chennai, Tamil Nadu 600014

### Registered Office

Plot No. 3726, Door No. 41, 'Ma Foi House', 6th Avenue, Q-Block,  
Anna Nagar, Chennai, Tamil Nadu - 600040

### Corporate Office

# 2802 (Broadway building) 2nd & 3rd Floor, 27th Main Road,  
HSR Layout, Sector 1, Bengaluru 560102

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# About Us

CIEL started in 2015 by the Founders of Ma Foi which had grown to be the largest HR services company in India and had operations in 14 countries in the world. It marks the return of HR visionaries to the HR Services industry, powered by technology and analytics. With a rich experience of 30 years of the founding team, CIEL offers Recruitment Services and HR Consulting Services to companies in India and Middle East. CIEL services talent needs of more than 2300+ clients and has placed more than 55,000+ professionals already in a short span of time. Leveraging new technologies such as machine learning, CIEL is at the forefront of the industry in introducing innovative practices. CIEL finds talent for Manufacturing, Energy, Infrastructure, IT & Outsourcing, Financial Services, Consumer Products, Pharma and Services sectors. With a pan-India presence in 41 locations.

CIEL is a French word meaning 'sky'. For us, it's the peak of excellence that we strive to achieve as we fulfill your talent needs and meet career aspirations of candidates.



# What we do:

## Recruiting Solutions

### Selection

CIEL partners with multiple client organizations across Industry sectors, in identifying and evaluating the best-in-class talent, the market has to offer. With primary focus in Entry to Midlevel permanent hires, our Recruitment Consultants focuses on hand-picking the Right candidate for the Right Job, across the globe.

### Executive Search

CIEL's Executive Search practice help organizations find Leaders who will craft the organizational strategies, strengthening foundation to support a sustainable growth and take the organizations to the next level.

### Recruitment Process Outsourcing

CIEL partners with select Organizations, intending to transfer all or a part of its Recruitment Processes to a Professional Recruitment Services provider. As an RPO provider, CIEL focuses on e2e Recruitment solutions matching Clients' hiring philosophy.

## Staffing Solutions

### General Staffing

CIEL provides temporary staff across a range of skill-sets across many locations in the country for a variety of industry sectors. With our dedicated team of consultants, robust technology system, rigorous processes for compliance and legal aspects and our experience of having pioneered this concept in India, we deliver value on a sustained basis. We enrich our services for some of our customers in terms of engaging the temp employees, monitoring their performance and managing talent pipeline.

### IT Staffing

CIEL recognizes the need of flexibility higher up the value chain in an organization, especially the highly skilled IT Professionals. Our specialised team of recruiters and HR professionals make sure that customer organizations not only find the best-matching talent in a shortnotice but the HR processes are carried out efficiently right from onboarding till ending the contract.

### Pooling

An IT company tries to utilize its resources on bench to the fullest possible extent. And there are several other companies such as yours, need experienced professionals for specific projects. We bridge the gap between the demand of such experienced professionals and the supply of matching professionals who are already in employment of another larger IT company. We call this an iBridge system that is first of its kind in India to create supply of experienced talent to smaller IT companies for specific duration and projects; also enhance resource utilization for large IT companies



# Directors' Report

Your Directors have great pleasure in presenting the 6th Annual Report and Audited Statement of Accounts for the financial year ended 31st March 2021. The summarized financial results of the Company are presented hereunder:

## 1. Financial Results - - Financial Highlights

Your Company during the financial year under review made a turnover of over Rs. 306 Crores as against the previous financial year turnover of Rs. 279 Crores achieving 10% increase. Your Company attained a PAT of Rs. 83 lakhs for the Financial Year ended 31st March 2021 as against Rs. 8 lakhs in the previous financial year

In spite of the unprecedented level of uncertainty and economic downturn, your Company could not only clock a revenue growth but also a growth in profitability. Your Directors are confident of continuing the momentum of profitable growth. Your Company has ambitious plans ahead of growing organically as well as in the inorganic route; has its sight on crossing Revenue milestone of INR 10 Billion in FY24.

The Standalone Financial Results of the Company are as under:

Financial Results - Standalone Values in INR Lacs	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Revenue from operations	305,46	278,64	186,29	74,97	21,79	2,02
Other Income	57	69	39	17	31	0
Total Income	306,03	279,33	186,68	75,14	22,10	2,02
Total Expenditure other than Depreciation and Interest	302,77	276,62	176,4	74,20	21,72	2,90
EBITD	326	271	1,019	94	38	-88
Depreciation	24	24	16	13	16	3
Finance Charges	193	179	128	68	10	2
Profit/(Loss) before tax	108.8	68.6	47.8	13.2	11.7	-93.0
Provision for taxation and Deferred Taxes	4.5	23.6	11.4	-4.3	-4.6	1.3
Profit /(Loss) after Tax for the year	104.3	45.0	36.4	17.5	16.3	-94.4

The Consolidated Financial Results of the Company and its subsidiary, Integrum Technologies Private Limited of the Company are as under:

Financial Results - Standalone Values in INR Lacs unless stated explicitly	FY 2020-21	FY 2019-20	FY 2018-19
Revenue from operations	305,47	278,75	186,32
Other Income	57	70	39
Total Income	306,05	279,45	186,71
Total Expenditure other than Depreciation and Interest	302,99	277,09	184,96
EBITD	306	235	175
Depreciation	25	26	17
Finance Charges	193	179	128
Profit/(Loss) before tax	88	31	31
Provision for taxation and Deferred Taxes	5	23	11
Profit /(Loss) after Tax for the year	83	8	20

## 2. State of Company's Affairs and Future Outlook

Your Company has been able to quickly adapt to the changes in the market as a result of the pandemic. The efforts of new business development and engagement with customers were aligned to keep in tune with the market opportunities. Operations teams, the systems and processes were reorganized keeping in mind the changes in market demands. Revenues in the year comprised 32% from new customers. Due to the swiftness of the changes, your Company could grow by 10% while the GDP shrank by 8%.

Your Company kept up high levels of customer engagement in the spirit of building a strong partnership with them. Top 30 customers contributed to 31% of the Company's Revenues in the financial year. Your Company has placed more than 55000 candidates have been placed in 2200 companies.

The leadership team continues to remain hands-on, listens to the voice of customers directly, connects with members across the Company by physical visits and various other online platforms to understand the pulse of the organisation and make appropriate changes in the systems and processes.

Members of leadership team lead some of the key client engagements directly and thus, lead the way within the Company in delivering customer results and cultivating various best practices. There is a systematic approach in your Company to track client engagements on a weekly basis through the Performance Management System.

In order to enhance the reliability of its services, your Company has been on a journey of quality management and has received ISO 9001:2015 certification by QACS International.

Your Company believes, it can deliver sustainable business results by ongoing development of its members in terms of their knowledge, skills and perspectives. Hence, a Company-wide initiative, CIEL PLANET runs through the year to provide these development inputs to the members. Your Company has been adjudged a Great Place to Work for building and sustaining a high-trust and high-performance culture 2 years in a row.

Geographic footprint across India has helped your Company stand out in the market and acknowledged as the largest by Staffing Industry Analyst (SIA) in its report published in Feb 2021. Spread over 40 locations now, your Company has been able to deliver on several RPO and Staffing assignments effectively.

CIEL's unique practice of expanding the geographic footprint has been an innovation in the industry, many other players are closely watching. The franchising model leverages the experience, passion and market connect of the business partners to deliver an effective solution to clients; at the same time, proves to be a win-win proposition for your Company and the business partners.

Your Company is "HR inspired by Science" and thus, uses the technology in various areas of work to drive efficiency and collaboration within the Company. During the year, the Company continued its investments on automation systems such as PMS, ICON, HYRE and APPI to automate several processes and hence, generate greater efficiencies for the long term as well as keep the systems and processes in sync with the regulatory changes. Your Company has invested in building Integrum Technologies which has built digital platforms and tools which are not only being used in CIEL but also are being used by other customers.

## Market Outlook

Indian economy has been slowly transforming from informal work to formal processes where employment is governed by the framework of labour laws. In line with the global trends, companies in India are increasingly seeking greater flexibility in their cost structures and hence, manpower planning. They want to focus on their core business and compete with their peers by excellence in their core business processes. As a result, they are increasingly outsourcing recruiting tasks and a part of their manpower.

Based on the research of Indian Staffing Federation, the market size of Temp staffing in India is about 4 million now. The market continues to remain fragmented and just a handful of them have a national presence; thus, the customers are not serviced effectively by most players.

Reforms in labour laws are underway and slated to reduce complexities for companies to use contract employees.

Your Company having established itself as the fastest-growing national player, a thought leader in the market, a reliable service-provider with tech-enabled systems, robust processes and proven leadership team is in a strong position to continue its growth journey.

### 3. Change in Nature of Business

The Company carries on the business of HR services anchored on the values of growth, professionalism, dignity and diversity. There is no change in the nature of business of your Company during the financial year under review.

### 4. Dividend

Your Directors are pleased to recommend final dividend of Rs. 0.7 per fully paid-up equity share (7%) of Rs. 10/- each for the FY21 on 35,17,705 fully paid up equity shares for the financial year ended 31st March, 2021 aggregating to Rs 24,62,394/- (Rupees Twenty Four Lakhs Sixty Two Thousand Three Hundred and Ninety Four only).

Your Board of Directors have recommended payment of arrears of dividend @ 0.01% on 2,59,460 (Two Lakhs Fifty Nine Thousand Four Hundred and Sixty only) fully paid up redeemable preference shares for the period 1st April 2016 to 31st March 2020 aggregating to Rs. 1,038/- (Rupees One Thousand and Thirty Eight only).

Your Board of Directors have also recommended a final dividend @ 0.01% on 2,59,460 (Two Lakhs Fifty Nine Thousand Four Hundred and Sixty only) fully paid up redeemable preference shares for the financial year ended 31st March, 2021 aggregating to Rs. 260/- (Rupees Two Hundred and Sixty only).

### 5. Changes in Share Capital and Debentures

As at 31st March 2021, the capital structure of your Company was as under:

Particulars	No of Shares	Face Value (in Rs.)	Total Amount (in Rs.)
<b>Authorized Share Capital:</b>			
Equity Shares	37,00,000	10/-	3,70,00,000
0.01% Redeemable Preference Shares	3,00,000	10/-	30,00,000
<b>Total</b>	<b>40,00,000</b>	<b>10/-</b>	<b>4,00,00,000</b>
<b>Issued, Subscribed and Paid Up Capital:</b>			
Equity Shares	35,17,705	10/-	3,51,77,050
0.01% Redeemable Preference Shares	2,59,460	10/-	25,94,600
<b>Total</b>	<b>37,77,165</b>	<b>10/-</b>	<b>37,771,650</b>

As at 31st March 2021, the particulars of Secured Redeemable Non-Convertible Debenture (NCDs) issued and allotted your Company was as under:

No of NCD	Interest Rate (%)	Face Value (in Rs.)	Total Amount (in Rs.)
66,38,60	10 & 11	10/-	6,63,86,00
66,38,60		10/-	6,63,86,00

During the financial year under review,

- a 30,000 Secured Non-Convertible Debentures were allotted on 25th May 2020 at Rs.10/- each aggregating to Rs. 3,00,000/-.
- b 1,00,000 Secured Non-Convertible Debentures were allotted on 2nd July 2020 at Rs.10/- each aggregating to Rs. 10,00,000/-.
- c 1,30,000 Secured Non-Convertible Debentures were allotted on 6th November 2020 at Rs.10/- each aggregating to Rs. 13,00,000/-.
- d 80,000 equity shares of Rs.10/- each aggregating to Rs 8,00,000/- were allotted at par on 16th March 2021 on rights basis.
- e 1,00,000 Secured Non-Convertible Debentures held by M/s Ma Foi Strategic Consultants Private Limited aggregating to Rs. 10,00,000/- have been redeemed.

## 6. Transfer to Reserves

During the financial year under review, the company has not transferred any amount to General Reserves.

## 7. Annual Return

As per Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the annual return of the Company for the financial year ended March 31, 2021 is available at the web address: <https://www.cielhr.com/annualreturn/2020-21>

## 8. Cost Records

Your Company is not required to maintain cost records and accounts as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013.

## 9. Reporting of Frauds by Auditors

During financial year, no frauds were reported by the auditors under sub-section (12) of section 143 of the Companies Act, 2013.

## 10. Board Meetings

During the financial year ended 31st March 2021, 9 (Nine) Board Meetings were held.

## 11. Subsidiaries, Joint Ventures and Associate Companies

Integrum Technologies Private Limited became a subsidiary company during the financial year 2018 - 19.

Integrum Technologies Private Limited is a subsidiary of the Company incorporated on 13th August 2018. In accordance with the provisions of section 129 (3) of the Companies Act 2013, the Consolidated Financial Statements drawn up in accordance with the applicable accounting standards form part of the Annual Report.

Statement containing salient features of the financial statement of the subsidiary, pursuant to first proviso to sub - section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 forms part of the financial statements in Form AOC -1.

## 12. Particulars of Loans, Guarantees or Investments Under Section 186 of Companies Act, 2013

During the financial year under review:

- ❶ The Company had not granted any loans or guarantees under Section 186 of the Companies Act, 2013 and the Rules framed thereunder.
- ❷ The Company has made investment in the equity share capital of M/s Integrum Technologies Private Limited, as given below:

S. No.	Date of Allotment	No. of shares	Face Value (Rs.)	Amount (Rs.)
1.	26th June 2020	50,000/-	10/-	5,00,000/-
2.	31st March 2021	50,000/-	10/-	5,00,000/-

## 13. Particulars of Contracts or Arrangements with Related Parties

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. The Company did not enter into any material transaction with such related parties, under Section 188 of the Companies Act, 2013, during the year.

## 14. Material Changes Affecting the Financial Position of the Company

There are no material changes and commitments between 31st March 2021 and the date of this report having an adverse bearing on the financial position of the Company.

## 15. Conservation of Energy, Technological Absorption & Foreign Exchange Earnings/ Outgo

### ❶ Conservation of Energy & Technology Absorption

The Company does not have any activity relating to conservation of energy and technology absorption and does not own any manufacturing facility. Hence, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the rules framed thereunder is not applicable. Moreover the Company has taken significant measures to reduce the energy consumption by using energy-efficient equipment.

Technology upgradation is constantly being undertaken to improve service quality and reduce costs. Training is also imparted to the company's personnel on the improved techniques of quality controls.

## **ii Research & Development (R & D)**

Your company does not have any research and development facility and has not incurred any expenditure towards research and development.

## **iii Foreign Exchange Earnings and Outgo**

There were no earnings or expenditure in foreign currency during the financial year under review.

## **16. Risk Management Policy**

Your Company, being in the business of service industry, has to manage various risks. The management reviews and monitors these risks at periodic intervals.

Also, your Company has introduced and adopted appropriate risk-management measures, policies, systems and processes that seek to strike an appropriate balance between risk and returns.

There are no elements of risk, which in the opinion of the Board may threaten the existence of the company.

## **17. Directors**

As on date of this report, your Company's Board of Directors comprises of the following members, namely:

**Mr. K. Pandiarajan**, Chairman and Executive Director (holding DIN: 00116011)

**Mrs. Hemalatha Rajan**, Executive Director (holding DIN: 00115674)

**Mr. Aditya Narayan Mishra**, Executive Director & CEO (holding DIN: 05303409)

**Mr. Santosh Kumar Nair**, Executive Director & COO (holding DIN: 07279988)

During the financial year ended 31st March 2021, no change took place in the Board of Directors of your Company.

Mr. K. Pandiarajan, (holding DIN: 00116011) was appointed as an Additional Director of the Company (Executive Category) and Chairman with effect from June 14, 2021. His appointment is being placed before the shareholders at the ensuing 11th Annual General Meeting for regularization.

## **18. Details of Significant & Material Orders Passed by the Regulators or Court or Tribunal**

During the financial year, there are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

## **19. Information as per clauses (xi) and (xii) of Rule 8(5) of the Companies (Accounts) Rules, 2014**

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company during the financial year ended March 31, 2021 and there was no such application made or

any proceeding as at March 31, 2021.

The Company has not entered into any one-time settlement with its lenders during the financial year ended March 31, 2021 and therefore the requirements of clause (xii) of Rule 8(5) of the Companies (Accounts) Rules, 2014 are not applicable.

## **20. Details of Adequacy of Internal Financial Controls**

Your Company has an internal control system, commensurate with the size, scale and complexity of its operations. Your company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## **21. Deposits**

Your Company has not accepted any deposits during the financial year under review.

## **22. Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Your Company has in place an Anti-Sexual Harassment Policy named "Policy Against Sexual Harassment" in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committees (ICC) has been set up to redress complaints received regarding sexual harassment.

Your Directors further state that no complaints were received or pending disposal during the financial year ended 31st March 2021 pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **23. Loan from Director**

Your Company has not availed any loan from directors during the financial year under review.

## **24. Transfer to Investor Education and Protection Fund**

Pursuant to Section 125 of the Companies Act, 2013, Your Company did not have any funds lying unpaid or unclaimed for a period of Seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

## **25. Corporate Social Responsibility**

The provisions relating to Corporate Social Responsibility prescribed under Section 135 of the Companies Act 2013 are not applicable to the company.





## 26. Remuneration Policy

The provisions of Section 178 relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## 27. Independent Directors

Since the Company is not required to appoint independent Directors the requirements of submitting their disclosures to the Board under section 149 of the Companies Act, 2013 does not arise.

## 28. Audit Committee and Vigil Mechanism

The requirement of formation of Audit Committee and the concept of vigil mechanism under Section 177 of Companies Act 2013 are not applicable to your company.

## 29. Auditor

M/s A John Moris & Co, Chartered Accountants having FRN No: 007220S were appointed as the statutory auditors of the Company at the 6th Annual General Meeting (AGM) of the shareholders held 30th September 2016 to hold office up to the conclusion of the 11th AGM to be held during financial year 2021. As their tenure ends at the ensuing 11th AGM, it is proposed to re-appoint M/s A John Moris & Co, Chartered Accountants having FRN No: 007220S as the statutory auditors for a period of five financial years, i.e from FY 2021-22 to FY 2025-26 to hold office from the conclusion of the 11th AGM upto the conclusion of the 16th AGM.

The report of the Auditors to the Shareholders is attached herewith.

The notes to the accounts forming part of the financial statements are self-explanatory and need no further clarifications or explanations. The report of the auditors to the shareholders is attached herewith and the same do not contain any qualifications, reservation, disclaimer or adverse remarks.

## 30. Compliance with Secretarial Standards as Issued by the Institute of Company Secretaries of India

The Company is in compliance with the relevant provisions of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

## 31. Impact of COVID 19 Pandemic

Covid 19 has accelerated the move towards organized staffing which saw our depute count increasing sharply by more than 30 % in a year's time. The impact on perm business was felt acutely in H1 due to the pandemic but our company was able to recover sharply in H2.

CIEL was able to tide over the crisis thanks to all our business enabling systems being made available online to all stakeholders. Company focused on segments of the market which grew during the pandemic which enabled growth in a tough year.

## 32. Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors confirm the following in terms of Section 134 of the Companies Act, 2013 and the Rules made thereunder:-

- a in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d the directors have prepared the annual accounts on a going concern basis; and
- e the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Acknowledgement

The Directors wish to thank the bankers, customers, service agencies, shareholders and other stakeholders for their support. The directors also thank the employees for their contribution during the financial year under review.

Place: Chennai

Date: 14th July 2021

**For and on behalf of the board  
For CIEL HR SERVICES PRIVATE LIMITED**

**K. Pandiarajan, Chairman**

**DIN: 00116011**

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF CIEL HR SERVICES PRIVATE LIMITED

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **CIEL HR SERVICES PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2021, its Profit and its cash flows for the year ended on that date.

#### Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management and Those Charged With Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act,. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, , we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, we report that:
  - a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e On the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act.

- Ⓕ With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
- Ⓖ With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  - Ⓐ The Company does not have any pending litigations which would impact its financial position.
  - Ⓑ The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - Ⓒ There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

Date: 14.07.2021

Place: Chennai

**For A John Moris & Co.,**

Chartered Accountants

FRN: 007220 S

**CA G Kumar**

Senior Partner

M.No: 023082

## Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the Company on the financial statements for the year ended 31st March 2021, we report that:

- i** (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company's fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all immovable properties which are freehold, are held in the name of the company as at the balance sheet date.
- ii** (a) As explained to us, the inventories of Finished Goods, Stores & Consumables, Green leaf were physically verified at regular intervals by the Management.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- iii** The Company has not granted unsecured loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore paragraph 3 (iii) of the order is not applicable
- iv** In respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the companies act have been complied with.
- v** The company has not received any public deposits during the year.
- vi** As per books of records, produced before us and explanation offered thereon, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 have been made and maintained.
- vii** (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Tax deducted at sources, Professional Tax, value added tax (VAT) and other material statutory dues applicable to it, with the appropriate authorities.

(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, GST and other material statutory dues in arrears were outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.

- viii In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- ix The company did not raise any money by way of initial public offer or further public offer (including debt instruments)
- x According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi In our opinion and according to the information and explanations given to us, no Managerial Remuneration has been provided. Hence, this clause is not applicable.
- xii In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv According to the information and explanations give 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.
- xv According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable
- xvi The company is not required to be registered under section 45-IA of the Reserve Bank Of India Act, 1934.

Date: 14.07.2021

Place: Chennai

**For A John Moris & Co.,**

Chartered Accountants

FRN: 007220 S

**CA G Kumar**

Senior Partner

M.No: 023082



## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of CIEL HR services Private Limited

### **Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of CIEL HR Services Private Limited (“the Company”) as at March 31st, 2021 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 14.07.2021

Place: Chennai

For A John Moris & Co.,

Chartered Accountants

FRN: 007220 S

CA G Kumar

Senior Partner

M.No: 023082

## CIEL HR SERVICES PRIVATE LIMITED

### Financial Results at a Glance

Particulars	Amount in ₹		
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Income:	3,060,297,718	2,793,317,323	1,866,796,424
Expenses:	3,046,973,309	2,784,103,186	1,860,421,662
Profit Before Depreciation and Tax	13,324,409	9,214,137	6,374,762
Less: Depreciation and Amortisation	2,441,958	2,352,497	1,595,044
Profit Before Tax	10,882,451	6,861,640	4,779,718
Current and Deferred Tax:	450,869	2,362,645	1,135,381
Profit after Tax	10,431,582	4,498,995	3,644,337
Transferred to Reserves (Including P&L)	25,127,197	11,146,376	7,597,137
Total Reserves as on 31st Mar	13,980,821	3,549,239	-949,756
Equity as at year end	37,771,650	36,971,650	36,171,650
Earnings per Share:			
(i) Basic	3.03	1.32	1.09
(ii) Diluted	3.03	1.32	1.09

# CIEL HR SERVICES PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

U74140TN2010PTC077095

Amount in ₹

Particulars	Note	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
<b>Income:</b>					
Revenue from Operations	17	3,054,601,800		2,786,424,339	
Other Income	18	5,695,918		6,892,984	
<b>Total Revenue (A)</b>			<b>3,060,297,718</b>		<b>2,793,317,323</b>
<b>Expenses:</b>					
Employee Benefits	19	2,958,909,490		2,690,881,526	
Finance Costs	20	19,317,736		17,881,754	
Administrative and Other Expenses	21	68,746,083		75,339,906	
Depreciation and Amortisation	10	2,441,958		2,352,497	
<b>Total Expenses (B)</b>			<b>3,049,415,267</b>		<b>2,786,455,683</b>
<b>Profit before Tax (C= A-B)</b>			<b>10,882,451</b>		<b>6,861,640</b>
<b>Tax Expense:</b>					
(1) Current Tax		-		2,500,217	
(2) MAT Credit Written off		884,674		-	
(2) Deferred Tax	24	(433,805)	450,869	(137,572)	2,362,645
<b>Profit after Tax</b>			<b>10,431,582</b>		<b>4,498,995</b>
<b>Earnings per Share:</b>					
(i) Basic	23		3.03		1.32
(ii) Diluted	23		3.03		1.32

Significant Accounting policies and Notes to the Accounts - 1 to 27

As per our report of even date attached

For and on behalf of the Board of Directors

**For A. JOHN MORIS & Co.,**

Chartered Accountants

FRN.: 007220S

**G KUMAR**

Senior Partner

M. No.: 023082

Place : Chennai

Date: 14-07-2021

**HEMALATHA  
RAJAN**

Director

**ADITYA NARAYAN  
MISHRA**

Director

**SANTHOSH  
KUMAR NAIR**

Director

# CIEL HR SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

U74140TN2010PTC077095

Amount in ₹

Particulars	Note	March 31, 2021		March 31, 2020	
<b>EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	3	37,771,650		36,971,650	
(b) Reserves and Surplus	4	13,980,821		3,549,239	
			<b>51,752,471</b>		<b>40,520,889</b>
<b>(2) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	5	94,503,427		86,684,439	
(b) Long-Term Provisions	6	7,418,783		5,695,352	
(c) Deferred Tax Liability {Net}	24	-	<b>101,922,210</b>	-	<b>92,379,791</b>
<b>(3) Current Liabilities</b>					
(a) Short term Borrowings	7	67,934,330		82,880,354	
(b) Trade Payables	8	6,889,053		5,906,737	
(c) Other Current Liabilities	9	191,522,424		208,408,870	
(d) Short-term Provisionst	10	11,681,314	278,027,121	16,365,610	<b>313,561,570</b>
<b>TOTAL (1+2+3)</b>			<b>431,701,802</b>		<b>446,462,250</b>
<b>ASSETS</b>					
<b>(4) Non-current assets</b>					
(a) Property,Plant and Equipment					
(i) Tangible Assets	11A.	1,840,300		2,722,137	
(ii) Intangible Assets	11B.	14,758,431		5,192,869	
(b) Non Current Assets	12	4,500,000		4,384,674	
(c) Long-Term Loans and Advances	13	63,851,973		103,903,783	
(d) Deferred Tax Asset {Net}	24	2,134,065	87,084,769	1,700,260	<b>117,903,723</b>
<b>(5) Current Assets</b>					
(a) Trade Receivables	14	275,184,831		260,555,259	
(b) Cash and cash equivalents	15	68,290,751		63,869,316	
(c) Other Current Assets	16	1,141,451	344,617,033	4,133,952	<b>328,558,527</b>
<b>TOTAL (4+5)</b>			<b>431,701,802</b>		<b>446,462,250</b>

Significant Accounting policies and Notes to the Accounts - 1 to 27

As per our report of even date attached

For and on behalf of the Board of Directors

**For A. JOHN MORIS & Co.,**

Chartered Accountants

FRN.: 007220S

**G KUMAR**

Senior Partner

M. No.: 023082

Place : Chennai

Date: 14-07-2021

**HEMALATHA RAJAN**

Director

**ADITYA NARAYAN MISHRA**

Director

**SANTHOSH KUMAR NAIR**

Director

# CIEL HR SERVICES PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

U74140TN2010PTC077095

Amount in ₹

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>A. Cash flow from operating activities</b>				
Net Profit before extraordinary items and tax	10,882,451		6,861,640	
<i>Adjustments for:</i>				
Depreciation and amortisation	2,441,958		2,352,497	
Provisions made during the year	1,723,431			
Operating profit before working capital changes		15,047,840		9,214,137
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	(14,629,572)		(91,703,921)	
Other current assets	43,044,311		(824,970)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	982,316		(2,227,413)	
Provisions	(2,184,079)		9,664,418	
Other current liabilities	(16,886,446)		(28,712,061)	
Short-term borrowings - OD	(14,946,024)		67,629,370	
		(4,619,493)		(46,174,578)
Cash generated from operations		10,428,347		(36,960,441)
Net income tax (paid) / refunds		(2,500,217)		(1,911,887)
<b>Net cash flow used in operating activities (A)</b>		<b>7,928,130</b>		<b>(38,872,328)</b>
<b>B. Cash flow from investing activities</b>				
Investment in equity shares	(1,000,000)		(500,000)	
Capital expenditure on Property, Plant and Equipment	(11,125,683)		(1,033,330)	
<b>Net cash flow from investing activities (B)</b>		<b>(12,125,683)</b>		<b>(1,533,330)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	800,000		800,000	
Loan Received	7,818,988		32,008,461	
Other Non Current Assets	-		-	
<b>Net cash flow from financing activities (C)</b>		<b>8,618,988</b>		<b>32,808,461</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>		<b>4,421,435</b>		<b>36,769,352</b>
Cash and cash equivalents at the beginning		63,869,316		27,099,964
<b>Cash and cash equivalents at the end</b>		<b>68,290,751</b>		<b>63,869,316</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 13)		68,290,751		63,869,316
<b>Cash and cash equivalents at the year end*</b>		<b>68,290,751</b>		<b>63,869,316</b>
* Comprises:				
(a) Cash on hand		246,000		800,000
(b) Balances with banks		68,044,751		63,069,316
		<b>68,290,751</b>		<b>63,869,316</b>

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For A. JOHN MORIS & Co.,**

Chartered Accountants

**FRN.: 007220S**

**G KUMAR**

Senior Partner

M. No.: 023082

Place : Chennai

Date: 14-07-2021

**For and on behalf of the Board of Directors**

**HEMALATHA RAJAN**

Director

**ADITYA NARAYAN MISHRA**

Director

**SANTHOSH KUMAR NAIR**

Director

## CIEL HR SERVICES PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### NOTE 1

#### CORPORATE INFORMATION

M/s. CIEL HR SERVICES PRIVATE LIMITED (herein after mentioned as "CIEL") was registered with the Chennai Registrar of Companies as a Private Limited Company on vide Registration no. U74140TN2010PTC077095.

The registered office of CIEL is located at Plot No. 3726, Door No. 41, 'Ma Foi House', 6th Avenue, Q- Block, Anna Nagar, Chennai - 600040.

The Principal activities of CIEL is to provide human resource management, facility management services to all types of industries. Major services includes direct placements or assigning own resources or recruiting expertised staff from outside CIEL, thereby providing end to end services in managing and running businesses, including payroll management. CIEL is also engaged in equipping such resources with required training on commercial, educational, legal, managerial, data processing and other related matters in order to effectively render services to its clients.

CIEL employs a unique matching algorithm that uses Natural Language Processing based machine learning framework. This unique matching process ensures that the best and the most suitable candidates are searched for quickly, ensuring agility and efficiency in the talent acquisition process.

#### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of Accounting and Preparation of Financial statements

The financial statements of CIEL have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 2013.

##### 2.2 Use of Estimates

The presentation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent assets and liabilities) at the end of the year and the reported revenues and expenses during the year. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known/material.

##### 2.3 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### 2.4 Cash Flow Statement

Cash flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

##### 2.5 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost net of depreciation and impairment losses. The cost of an asset comprises of its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use.



#### "Depreciation :

- (i) Depreciation has been provided on the written down value method as per the useful life prescribed in Part "C" of Schedule II to the Companies Act, 2013.
- (ii) The Expenditure incurred on development of solutions for Vendor Management and Management Intelligence, which would result in measurable future economic benefits and it has been amortised over a period of the estimated useful life of the asset which is 3 years
- (iii) Depreciation on additions is charged proportionately from the date of acquisition/installation."

### 2.6 Investments

Investments are classified into current and Long-term investments. Long-term investments are stated at cost and 'provision for diminution in value, other than temporary, is considered wherever necessary.

Current investments are valued at lower of cost and market value/net asset value.

### 2.7 Intangible Assets

The company has developed softwares in the current financial year which is capitalised on 31/03/2021 and the asset has will be amortised over a period of 5 years as per the estimation made by the management'.

### 2.8 Foreign Currency Transactions

Revenue and expenditure in foreign currency are accounted at exchange rate prevailing on the date of the transactions. The exchange difference arising on foreign currency transactions are recognized as income or expense in the period in which they arise. Monetary items denominated in foreign currency are translated at closing exchange rates as on the reporting date. Any profit or loss on account of the translation is recognized in the Statement of Profit and Loss.

### 2.9 Revenue Recognition

Revenue from services is recognised as per para 12 of AS 9 issued by ICAI, that the performance should be measured either under the completed service contract method or under the proportionate completion method, whichever relates the revenue to the work accomplished. Such performance should be regarded as being achieved when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service.

Likewise, Revenue from contractual services is recognised as and when the services are performed. For the service which are in the nature of Continuous Man Power Supply contracts, revenues is recognised on monthly basis at a pre-agreed rate and for all other contracts, revenue are recognised as and when the agreed services has been performed.

### 2.10 Other Income

Revenue from Interest income on fixed deposits with banks is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognised as and when the right to receive is established.

All other incomes are recognized on accrual basis.

### 2.11 Employee Benefits

- a) Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits.
- b) Defined contribution plans
- Company's contributions paid/payable during the year to Provident Fund, Pension fund and employee state insurance scheme are recognised in the statement of Profit and Loss based on amount of contribution required to be made and when services are rendered by the employees.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried to the Balance Sheet. Accumulated leave expected to be carried forward beyond twelve months are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/ losses are immediately taken to the Statement of Profit and loss and are not deferred.

## 2.12 Impairment of assets

The carrying amount of assets are reviewed at each balance sheet date for any indication of impairment based on internal/ external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing its value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 2.13 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to accounts.

## 2.14 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## 2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 2.16 Segment Reporting

The Company does not have any other segment of business. Hence there are no separate reportable segments.

## 2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year after taking into consideration the benefits/disallowances admissible under the provisions of the Income Tax Act, 1961.

MAT Credit is disallowed virtue off company taking the benefit of 115BAA as per the Income Tax Act, 1961

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.

Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## 2.18 Operating Cycle

Based on the nature of activities of the company and normal time between acquisition of assets and their realisation of cash and cash equivalent, the company has determined operating cycle as 12 months for the purpose of classification of its assets and liabilities as non-current and current.

## NOTE 3: SHARE CAPITAL

(Amount in ₹)

Particulars	March 31, 2021		March 31, 2020	
	Number	₹	Number	₹
<b>(i) Authorised Share Capital</b>				
Equity shares of ₹ 10 each	3,700,000	37,000,000	3,700,000	37,000,000
0.01% Preference shares of ₹ 10 each	300,000	3,000,000	300,000	3,000,000
	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>(ii) Issued, Subscribed and Fully Paid up capital</b>				
Equity shares of ₹ 10 each	3,517,705	35,177,050	3,437,705	34,377,050
0.01% Preference shares of ₹ 10 each	259,460	2,594,600	259,460	2,594,600
<b>Total</b>	<b>3,777,165</b>	<b>37,771,650</b>	<b>3,697,165</b>	<b>36,971,650</b>

### (3a) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the reporting period:

<b>Equity Shares Capital</b>				
Shares Outstanding at the beginning	3,437,705	34,377,050	3,357,705	33,577,050
Add: Shares Issued during the period	80,000	800,000	80,000	800,000
Shares outstanding at the end	<b>3,517,705</b>	<b>35,177,050</b>	<b>3,437,705</b>	<b>34,377,050</b>
<b>0.01% Preference Share Capital</b>				
Shares outstanding at the beginning	259,460	2,594,600	259,460	2,594,600
Add: Shares Issued during the period		-		
Shares outstanding at the end	<b>259,460</b>	<b>2,594,600</b>	<b>259,460</b>	<b>2,594,600</b>
<b>Shares outstanding at the end of the year</b>	<b>3,777,165</b>	<b>37,771,650</b>	<b>3,697,165</b>	<b>36,971,650</b>

# Our Presence ●

Bangalore	#2802 (Broadway Building) 2nd & 3rd Floor, 27th Main Rd, 1st Sector, HSR Layout, Bengaluru, Karnataka 560102
Baroda	No.308/309, Vraj Venu Complex, Gotri Samta Link Road, Opp, Gotri Rd, Vadodara, Gujarat 390021
Chennai	Door No.41, Plot no.3726 q block, 6th Avenue, Anna Nagar, Chennai, Tamil Nadu 600040
Gurgaon	Level 4, Augusta Point, Sector 53, Golf Course Road, Gurugram, Haryana 122002
Hyderabad	Level 1, Spacion Towers, Vittal Rao Nagar, Next To Westin Hotel, HITEC City, Hyderabad, Telangana 500081
Mumbai	B1-002,B Wing, Ground Floor,Boomerang.Chandivali, Andheri(East) Mumbai-400072
Pune	AWFIS Business Centre, 4th floor , GK Mall , Above Pantaloons, Near Kokane Chowk, Pimple Saudagar, Pune -411027
Ahmedabad	421, 4th Floor, Samaan Complex, Opp. Satyam Mall, Nr. Mansi Circle, Satellite, Ahmedabad - 380015
Aurangabad	1st Floor, Above Shree Hospital, Plot No. 21-A, Sector C 3, Town Center, N- 1, CIDCO, Aurangabad - 431003, Maharashtra
Bangalore	Avance Solutions, B -003, Mithuna Whitewater, Srirampura cross, Jakkur, Bangalore - 560064
Baroda	#214 (B N Chambers) 2nd Floor, R C Dutt Rd, Alkapuri,Vadodara, Gujarat 390007
Chandigarh	The Golden Square, Unit no. 504 , 5th Floor, Ambala Chandigarh Highway, Zirakpur 140603, INDIA
Chennai	Ecospace, 7th Floor, Ispahani center, Nungambakkam, Chennai
Chennai	No.6, Ganesh Avenue-2nd street, Shakti nagar, Porur, Chennai- 600116
Coimbatore	2nd floor, 76, E Power House Rd, Tatabad, Coimbatore, Tamil Nadu 641012
Cuttack	Plot No.4D/1482, Sector 9, Cuttack Development Authority (CDA), Cuttack - 753014 (Odisha)
Greater Noida	B-225, Logix Technova, Sector-132, Yamuna Expressway, Noida 201304 Delhi NCR
Greater Noida	B-88 ,Sector -64, Noida - 201301, INDIA
Goa	FiiRE, Office 21, First floor, Campus - Don Bosco College of Engineering, Fatorda, Margao, Goa, India 403 602
Hyderabad	# 3-10-53/A, CNG Arcade 2nd Floor,Trimulgherry circle,near to Dargha, Secunderabad, Telangana 500015
Hyderabad	403, Chandra Enclave, Satyanarayan Nagar Colony, Gudimalkapur, Mehndipatnam, Hyderabad
Hyderabad	No.12-13-37, St.no.5, Sri Krishna Avanti Apt, Flat no.3G, Tanaka, Secunderabad- 500007
Indore	101, A Block, Rohan Residency, 106 Sarv Suvidha Nagar, Indore- 452016
Jaipur	34/6, Kiran Path, Mansarovar, Jaipur. 302020
Jamnagar	302, Above HDFC Bank, Kuber,, Park Colony, Jamnagar, Gujarat 361008
Kanpur	123/ 1F, Kalpi Road, Pratapganj, Kanpur- 208005



# Our Presence

Kochi	203, 2nd Floor, Royal Way Building (New Karothukuzhy Building Near Muttom Metro Station Thaikkattukara P.O Muttom, Thaikkavu, Kochi, Kerala 683106
Kota	5-B-3, Talwandi, Kota, Rajasthan, PIN-324005
Kutch	Bhageshree society, No.1, Sector 1/A, Gandhidham, Kutch- 370201
Madurai	Door No.94/15A, Ratna Towers 2nd Floor, Raja Muthaia Nagar, 70 Feet Wide Road Ellis Nagar, Bye Pass Road, Tamil Nadu 625010
Mumbai	New Ajanta Ellora CHSL, B-Wing, S.V. Road, Behind Vodafone Gallery, Dahisar (E), Mumbai - 400068
Mumbai	906, Silver Oak, Raheja Willows, Kandivil East, Mumbai- 400101
Mumbai	Shop No. 8 C, Parwwana Tower, Shri Ram Nagar, SV Road, Boriwali(W), Mumbai- 400092
Mumbai	A 101, Blue Oasis 2 CHS, Blue Empire complex, New Link Road, Mahavir Nagar extension, Kandivali (W), Mumbai- 400067
Mumbai	E 403, Europa, Casa Bella Gold, Near Xperia Mall, Dombivali East -Thane -421204
Nagpur	1st Floor, Thakkar House, Lane- Modi No.1, Sitabuldi, Nagpur- 440012
Noida	B-48/4A, Chhatarpur Extn., NEAR JVTS Garden, South West Delhi, Delhi, 110074
Panna- MP	No.172, Plot no.6, Sector 4, Dwarka, South west Delhi- 110078
Pondicherry	No. 150, M G Road, Muthialpet, Puducherry, 605003
Pune	No 201, B 2 building, shree swami Landmark, phase 2, near Kalubai mandir, Narhe, Pune 411041
Pune	G-201, Rajveer palace, Phase 1, Near Pizza Hut, Kunal Icon Road, Pimple Saudagar, Pune 411027
Pune	A-206 Alcove, Pimple Saudagar, Kunal Icon Road, Pune-411027
Ranchi	Satish Bhavan, Shivpuri Colony, Hinoo, Ranchi- 834002
Surat	316, Helios, New Pal Rd, TGB, Adajan Gam, Surat, Gujarat 395009
Thiruvandrum	5/2380(01), Aswathy Buildings, Toll Junction, Kowdiar, Thiruvananthapuram, Kerala 69500
Vapi	E-210, M- Cube, NH No. 48, Balitha, TA .Vapi, District Valsad, Gujarat- 396191
Varanasi	No. 21/1, In Front of Rajpal Balika Vidyalay, Lalpur, Pandeypur, Varanasi- 221002
Vijayawada	No.224, 3rd Floor, J. D. Towers, J. D. Nagar, Patamata, Near Auto Nagar Gate, Vijayawada - 520007
Trivandrum	T.C. No. 5/2380 (01), Aswathy Buildings Toll Junction, Kowdiar P.O, Thiruvananthapuram, Kerala 695003
Vishakhapatnam	G4, D.No: 45-40-43/1, Coastal Bank Building, Abid Nagar, Akkayyapalem Main Road, Visakhapatnam 530016.



**\*DISCLAIMER**

*In this annual report, we have disclosed forward-looking information based on our plans and assumptions to enable the investors to comprehend our prospects and take informed investment decisions. The achievement of the results is subject to risk, uncertainties and even inaccuracies in assumptions. Should known or unknown risk or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.*

*We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise*

*This map is a graphical representation of CIEL's spread across many locations and not to indicate the geographic map of India.*



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Linkedin



 **CIEL**  
SOLUTIONS BY DESIGN



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#2802 (Broadway Building) 2nd & 3rd Floor,  
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