
Walker Chandiook & Co LLP

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Independent Auditor's Report

**To the Members of Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')**

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Expleo India Infosystems Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2020, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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

4. The Company's Board of Directors is responsible for the other information. Other information 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 in the audit or otherwise appears to be materially misstated.

The Other information is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. 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.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

8. 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 Standards on Auditing 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.
9. As part of an audit in accordance with Standards on Auditing, 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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; and
 - 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.
10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, reporting under Section 197(16) is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India 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.
13. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
 - 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 financial statements 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 prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 13 August 2020 as per Annexure B expressed an unmodified opinion; and
 - g) 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, as detailed in note 15 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

Walker Chandiok & Co LLP

Expleo India Infosystems Private Limited (Formerly known as 'SQS India Infosystems Private Limited') Independent Auditor's Report on the Audit of the Financial Statements

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No:001076N/N500013

BHARAT

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Bharat Shetty

Partner

Membership No:106815

UDIN No:20106815AAAACP1642

Place: Mumbai

Date: 13 August 2020

Annexure A to the Independent Auditor's Report of even date to the members of Expleo India Infosystems Private Limited (Formerly known as SQS India Infosystems Private Limited), on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which Property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
 - (a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
 - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular;
 - (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of Investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Annexure A (Contd)

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹) | Amount paid under Protest (₹) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|--|------------|-------------------------------|--|--|
| Finance Act, 1994 | Service Tax (Including Interest and Penalty) | 29,950,942 | - | FY 2014-15 FY 2015-16 FY 2016-17 FY 2017-18 | Additional Commissioner CGST, Audit-I Commissionerate, Pune |

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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Bharat Shetty
Partner
Membership No.: 106815

UDIN No:20106815AAAACP1642

Place: Mumbai
Date: 13 August 2020

Annexure B to the Independent Auditor's report of even date to the members of Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited) on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Expleo India Infosystems Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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 ("the guidance note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the Company's 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 information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

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Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

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Bharat Shetty
Partner
Membership No:106815

UDIN No:20106815AAAACP1642

Place: Mumbai
Date: 13 August 2020

Walker Chandniok & Co LLP

Financial Statements and Independent Auditor's
Report

Expleo India Infosystems Private Limited
(Formerly known as SQS India Infosystems Private Limited)

31 March 2020

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Balance Sheet

| | Notes | As at 31 March 2020 ₹ | As at 31 March 2019 ₹ |
|---|-------|-----------------------------|-----------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 1,147,550 | 1,147,550 |
| Reserves and surplus | 4 | 1,987,946,832 | 1,656,235,216 |
| | | <u>1,989,094,382</u> | <u>1,657,382,766</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 1,958,694 | 2,676,697 |
| Deferred tax liabilities (net) | 6 | 8,967,419 | 11,387,696 |
| Long-term provisions | 7 | 10,632,011 | - |
| | | <u>21,558,124</u> | <u>14,064,393</u> |
| Current liabilities | | | |
| Trade payables - total outstanding dues of micro and small enterprises | 8 | - | - |
| Trade payables - total outstanding dues of creditors other than micro and small enterprises | 8 | 37,917,138 | 53,776,940 |
| Other current liabilities | 9 | 51,035,095 | 49,791,045 |
| Short-term provisions | 7 | 76,272,526 | 62,097,888 |
| | | <u>165,224,759</u> | <u>165,665,873</u> |
| Total | | <u>2,175,877,265</u> | <u>1,837,113,032</u> |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 576,125,827 | 616,680,799 |
| Intangible assets | 10 | - | - |
| Capital work-in-progress | | 51,318,055 | 51,318,055 |
| Long-term loans and advances | 11 | 246,276,211 | 224,981,393 |
| | | <u>873,720,093</u> | <u>892,980,247</u> |
| Current assets | | | |
| Trade receivables | 12 | 793,856,793 | 840,436,321 |
| Cash and bank balances | 13 | 333,204,841 | 68,931,555 |
| Short-term loans and advances | 11 | 80,640,887 | 15,409,520 |
| Other current assets | 14 | 94,454,651 | 19,355,389 |
| | | <u>1,302,157,172</u> | <u>944,132,785</u> |
| Total | | <u>2,175,877,265</u> | <u>1,837,113,032</u> |

The accompanying notes 1 to 32 form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of Board of directors

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Bharat Shetty
Partner
Membership No.: 106815

Abhijit Atre
Director
DIN: 03338158

Prashant Bramhankar
Director
DIN: 07439819

Place: Mumbai
Date: 13 August 2020

Place: Pune
Date: 13 August 2020

Place: Pune
Date: 13 August 2020

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Statement of Profit and Loss

| | Notes | Year ended 31 March 2020 ₹ | Year ended 31 March 2019 ₹ |
|---|-------|----------------------------------|----------------------------------|
| Revenue | | | |
| Revenue from operations | 16 | 1,388,022,790 | 1,326,531,260 |
| Other income | 17 | 57,847,920 | 59,492,523 |
| Total revenue | | 1,445,870,710 | 1,386,023,783 |
| Expenses | | | |
| Employee benefits expense | 18 | 785,898,823 | 754,117,100 |
| Finance costs | 19 | 6,010,280 | 5,240,299 |
| Depreciation and amortisation expense | 20 | 48,852,876 | 51,934,191 |
| Other expenses | 21 | 200,941,972 | 239,483,374 |
| Total expenses | | 1,041,703,951 | 1,050,774,964 |
| Profit before tax | | 404,166,759 | 335,248,819 |
| Tax expense | | | |
| Current tax | | 71,886,303 | 72,361,080 |
| Reversal of MAT Credit / (MAT Credit Entitlement) | | 2,989,117 | (8,699,152) |
| Deferred tax credit | | (2,420,277) | (2,287,141) |
| | | 72,455,143 | 61,374,787 |
| Net Profit | | 331,711,616 | 273,874,032 |
| Earnings per equity share | | | |
| Basic and diluted | 22 | 2,890.61 | 2,386.60 |

The accompanying notes 1 to 32 form an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

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Date: 2020.08.13
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Bharat Shetty

Partner

Membership No.: 106815

Place: Mumbai

Date: 13 August 2020

For and on behalf of Board of directors

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Abhijit Atre

Director

DIN: 03338158

Place: Pune

Date: 13 August 2020

**PRASHANT
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Date: 2020.08.13
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Prashant Bramhankar

Director

DIN: 07439819

Place: Pune

Date: 13 August 2020

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Cash Flow Statement

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| | ₹ | ₹ |
| Cash flow from operating activities | | |
| Profit before tax | 404,166,759 | 335,248,819 |
| Non-cash adjustments to reconcile profit before tax to net cash flow from operating activities | | |
| Depreciation and amortisation expense | 48,852,876 | 51,934,191 |
| Gain on sale of property, plant and equipment (net) | (20,431) | (475,281) |
| Liabilities / provisions written back to the extent no longer required | - | (2,200,000) |
| Unrealised gain on foreign currency transactions and translations | (39,038,559) | (9,173,071) |
| Interest income | (10,839,525) | (1,736,001) |
| Finance costs | 6,010,280 | 5,240,299 |
| Operating profit before working capital changes | 409,131,400 | 378,838,956 |
| Movements in working capital: | | |
| Decrease/(Increase) in trade receivables | 85,312,251 | (264,701,275) |
| (Increase) / Decrease in other current assets | (75,099,262) | 81,048,166 |
| Decrease in long-term loans and advances | 679,404 | 4,176,070 |
| Increase in short-term loans and advances | (705,682) | (2,975,350) |
| (Decrease)/Increase in trade payables | (16,713,528) | 29,358,738 |
| (Decrease)/Increase in other current liabilities | (3,453,179) | 14,105,567 |
| Increase / (Decrease) in long-term and short-term provisions | 24,806,649 | (1,097,126) |
| Cash generated from operations | 423,958,053 | 238,753,746 |
| Direct taxes paid (net of refunds) | (85,342,642) | (93,522,874) |
| Net cash generated from operating activities (A) | 338,615,411 | 145,230,872 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment including capital work-in-progress | (15,249,228) | (14,125,287) |
| Proceeds from sale of property, plant and equipment | 98,590 | 546,819 |
| Interest received on bank deposits | 6,313,840 | 1,736,001 |
| Loan granted to Related parties | (90,000,000) | - |
| Repayment of loan by Related parties | 30,000,000 | - |
| Net cash used in investing activities (B) | (68,836,798) | (11,842,467) |
| Cash flows from financing activities | | |
| Finance costs paid | (6,010,280) | (6,604,103) |
| Repayment of long-term borrowings | (654,609) | (113,140,160) |
| Net cash used in financing activities (C) | (6,664,889) | (119,744,263) |
| Effect of exchange rate differences on translation of foreign currency cash and cash equivalents (D) | 1,159,562 | - |
| Net increase in cash and cash equivalents (A+B+C+D) | 264,273,286 | 13,644,142 |
| Cash and cash equivalents at the beginning of the year | 68,931,555 | 55,287,413 |
| Cash and cash equivalents at the end of the year (refer Note 13) | 333,204,841 | 68,931,555 |
| Components of cash and cash equivalents | | |
| Balances with banks in current accounts | 143,204,841 | 31,731,555 |
| Deposits with original maturity less than 3 months | 190,000,000 | 37,200,000 |
| Cash and cash equivalents as per books (refer Note 13) | 333,204,841 | 68,931,555 |

The accompanying notes 1 to 32 form an integral part of these financial statements

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

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BHARAT KOCHU SHETTY
Date: 2020.08.13 21:32:44
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Bharat Shetty
Partner
Membership No.: 106815
Place: Mumbai
Date: 13 August 2020

For and on behalf of Board of directors

**ABHIJIT
MUKUND
ATRE**

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ABHIJIT MUKUND
ATRE
Date: 2020.08.13
17:11:59 +05'30'

Abhijit Atre
Director
DIN: 03338158
Place: Pune
Date: 13 August 2020

**PRASHANT
EKNATH
BRAMHANKAR**

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PRASHANT EKNATH
BRAMHANKAR
Date: 2020.08.13
17:15:31 +05'30'

Prashant Bramhankar
Director
DIN: 07439819
Place: Pune
Date: 13 August 2020

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')

Summary of significant accounting policies and other explanatory information

1. Expleo India Infosystems Private Limited ('the Company') (Formerly known as 'SQS India Infosystems Private Limited') incorporated in Pune, India, is principally engaged in the business of software testing and is a subsidiary of Expleo Technology Germany AG (Formerly known as SQS Software Quality Systems AG, Germany). The Company is registered under Special Economic Zone scheme of the government.

2. Significant accounting policies

a) Basis of accounting

The financial statements which have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 2013 ("the Act") and comply in all material aspects with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied, unless otherwise stated.

b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expense for the year. Key estimates made by the Company in preparing these financial statements comprise unbilled revenue, accrual for expenses, retirement benefits, useful lives of assets and realisability of MAT credit entitlement. Estimates and underlying assumptions are reviewed on ongoing basis. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the year in which such revisions are made.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of Property, plant and equipment comprises purchase price and any attributed cost for bringing the asset to its location and working condition for its intended use.

Capital work-in-progress comprises cost of Property, plant and equipment that are not yet ready for their intended use at the balance sheet date.

In accordance with Para 46A of Accounting Standard 11, exchange differences arising on translation/ settlement of long term foreign currency monetary items attributable to the acquisition of a depreciable asset are also included in the cost of the asset and depreciated over the useful lives of the assets.

Property, plant and equipment are eliminated from financial statements, or disclosed separately, as the case may be, on disposal or transfer or when retired from active use.

d) Depreciation/ Amortization

Depreciation is provided from the date of capitalization of Property, plant and equipment, which is the later of the date of purchase or date when the asset is ready for use. Depreciation is provided on straight line basis using the useful lives and in the manner prescribed under Schedule II to the Companies Act, 2013, which also represent the useful life of Property, plant and equipment. Individual assets costing ₹ 5,000 and less are fully depreciated in the year of purchase. Leasehold land and improvements are amortized over the period of lease.

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')

Summary of significant accounting policies and other explanatory information

e) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is the higher of the asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, as the case maybe, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

f) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the non-cancellable lease term.

g) Revenue recognition

a) Revenue from software testing services:

Arrangements with customers for software testing services are either in the nature of fixed price contracts or time and material contracts. Revenue on time and material contracts is recognised as and when related services are performed whereas revenue from fixed price contracts is recognised on proportionate completion method. Revenue is recognised only when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from fixed price maintenance contracts is recognised ratably over the period of rendering service.

The Company presents revenues net of Goods and services tax in its Statement of Profit and Loss.

b) Other income:

The Company recognizes interest income on time proportion basis at the rates implicit in the transaction.

h) Foreign currency transactions

• Initial Recognition

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')

Summary of significant accounting policies and other explanatory information

- Conversion

Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the balance sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

- Exchange Differences

All exchange differences on monetary items arising on settlement or conversion of foreign currency transactions/ balances are included in the Statement of Profit and Loss in the year in which they arise.

In pursuance to notification no G.S.R 378 (E) dated 11 May 2011 issued by the Ministry of Corporate Affairs for amending Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates", the Company has elected to capitalize foreign exchange gain/loss on long term foreign currency monetary Liabilities, wherever applicable.

The reporting currency of the Company is Indian Rupee (₹).

i) Employee benefits

Employee benefits provided by the Company include contributions to Provident fund, Gratuity and Compensated absences.

- Defined contribution plan - Provident fund

All the employees are entitled to receive benefits under the provident fund, which is a defined contribution plan, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Both, the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' applicable salary components. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. The Company's contribution to the above fund is recognised in the Statement of Profit and Loss on accrual basis.

- Defined benefit plan - Gratuity

Employees are entitled to benefits under the Payment of Gratuity Act, 1972, a defined benefit retirement plan covering eligible employees of the Company. The Plan provides a lump-sum payment to eligible employees on retirement or on termination of employment. The Company provides for liability towards a Gratuity Plan on the basis of actuarial valuation using the Projected Unit Credit Method as at the Balance Sheet date. Gratuity liability is funded with the Life Insurance Corporation of India to the extent determined by the management based on past performance and best estimates.

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')

Summary of significant accounting policies and other explanatory information

- Defined benefit plan – Long term service award

Long term service award are other long-term benefits to all eligible employees, as per Company's policy. The cost of providing benefit under Long term service award scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. Remeasurement, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

- Defined benefit plan – Compensated absences

All eligible employees are entitled to receive benefits under the compensated absences policy. The Company provides for liability towards compensated absences on the basis of actuarial valuation for leaves standing to the credit of each employee as at the year end.

The Company presents the entire Compensated absences liability as a short term provision in the balance sheet since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

j) Taxation

Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 and the Rules framed there under.

Minimum Alternate Tax ('MAT') paid in accordance with tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay tax as per regular provisions after the tax holiday period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to utilise that credit during the specified period.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised. Timing differences originating and reversing during the tax holiday period are not considered for the purposes of computing deferred taxes.

k) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event 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 their present value and are determined based on best estimate of the amount 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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company.

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')

Summary of significant accounting policies and other explanatory information

l) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax for the year, taking into account the post-tax effects of extraordinary and/ or prior period items, if any, attributable to equity shareholders by weighted average number of equity shares outstanding during the period. There are no potential equity shares. Hence no adjustments are made for calculation of diluted earnings per share.

m) Borrowing costs

Borrowing costs attributable to the acquisition or setting-up of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|------------------|---------------------|------------------|
| | Number | Amounts ₹ | Number | Amounts ₹ |
| 3 Share capital | | | | |
| Authorised share capital | | | | |
| Equity shares of ₹ 10 each | 850,000 | 8,500,000 | 850,000 | 8,500,000 |
| Total | 850,000 | 8,500,000 | 850,000 | 8,500,000 |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of ₹ 10 each | 114,755 | 1,147,550 | 114,755 | 1,147,550 |
| Total | 114,755 | 1,147,550 | 114,755 | 1,147,550 |

a) Reconciliation of equity share capital

| Equity shares of ₹ 10 each | | | | |
|---------------------------------------|----------------|------------------|----------------|------------------|
| Balance at the beginning of the year | 114,755 | 1,147,550 | 114,755 | 1,147,550 |
| Add : Shares issued during the year | - | - | - | - |
| Balance at the end of the year | 114,755 | 1,147,550 | 114,755 | 1,147,550 |

b) Shares held by holding company

| Equity shares of ₹ 10 each | | | | |
|---|---------|-----------|---------|-----------|
| Expleo Technology Germany AG (Formerly known as 'SQS Software Quality Systems AG') | 114,754 | 1,147,540 | 114,754 | 1,147,540 |

c) Shareholders holding more than 5% of the shares

| | Number | % holding in the class | Number | % holding in the class |
|---|---------|------------------------|---------|------------------------|
| Equity shares of ₹ 10 each | | | | |
| Expleo Technology Germany AG (Formerly known as 'SQS Software Quality Systems AG') | 114,754 | 99.99% | 114,754 | 99.99% |

d) Rights, preferences and restrictions on equity shares

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

- e) During the year, the Company has not issued any shares to shareholders. Further, in five years immediately preceding the date of the Balance Sheet, no shares have been issued pursuant to contracts without payment being received in cash or as bonus shares and no shares have been bought back by the Company.

| | As at | As at |
|---|------------------|------------------|
| | 31 March 2020 | 31 March 2019 |
| | ₹ | ₹ |
| 4 Reserves and surplus | | |
| a. Capital redemption reserve | | |
| Balance at the beginning of the year | 5,450,000 | 5,450,000 |
| Add: Additions during the year | - | - |
| Balance at the end of the year | 5,450,000 | 5,450,000 |
| b. Capital reserve on account of amalgamation pursuant to high court order | | |
| Balance at the beginning of the year | 1,852,450 | 1,852,450 |
| Add: Additions during the year | - | - |
| Balance at the end of the year | 1,852,450 | 1,852,450 |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| | As at 31 March 2020 | As at 31 March 2019 |
|---|-----------------------------|-----------------------------|
| | ₹ | ₹ |
| 4 Reserves and surplus (Continued) | | |
| c. General reserve | | |
| Balance at the beginning of the year | 5,732,228 | 5,732,228 |
| Add: Additions during the year | - | - |
| Balance at the end of the year | <u>5,732,228</u> | <u>5,732,228</u> |
| d. Surplus in the Statement of Profit and Loss | | |
| Balance at the beginning of the year | 1,643,200,538 | 1,369,326,506 |
| Add: Profit for the year | 331,711,616 | 273,874,032 |
| Balance at the end of the year | <u>1,974,912,154</u> | <u>1,643,200,538</u> |
| Total (a+b+c+d) | <u><u>1,987,946,832</u></u> | <u><u>1,656,235,216</u></u> |

5 Long-term borrowings

Secured

| | | |
|---|-------------------------|-------------------------|
| Indian rupee loan from financial institution# | 1,958,694 | 2,676,697 |
| Total | <u><u>1,958,694</u></u> | <u><u>2,676,697</u></u> |

Indian rupee loan from financial institution was availed by the Company in June 2017 at an interest rate of 9.28% per annum, secured against first charge on the underlying vehicle so purchased, repayable in 48 equal monthly instalments along with interest with effect from July 2017.

6 Deferred tax liabilities (net)

Deferred tax liability on

| | | |
|--|------------|------------|
| Depreciation/ amortisation on Property, plant and equipment and intangible asset | 34,274,021 | 29,470,601 |
|--|------------|------------|

| | | |
|--------------|--------------------------|--------------------------|
| Total | <u><u>34,274,021</u></u> | <u><u>29,470,601</u></u> |
|--------------|--------------------------|--------------------------|

Deferred tax assets on

| | | |
|---|------------|------------|
| Expenditure charged to the Statement of Profit and Loss allowed for tax purposes on payment basis under Section 43B of the Income-tax Act, 1961 | 25,306,602 | 18,082,905 |
|---|------------|------------|

| | | |
|--------------|--------------------------|--------------------------|
| Total | <u><u>25,306,602</u></u> | <u><u>18,082,905</u></u> |
|--------------|--------------------------|--------------------------|

| | | |
|---------------------------------------|-------------------------|--------------------------|
| Deferred tax liabilities (net) | <u><u>8,967,419</u></u> | <u><u>11,387,696</u></u> |
|---------------------------------------|-------------------------|--------------------------|

| | As at 31 March 2020 | | As at 31 March 2019 | |
|--|--------------------------|--------------------------|---------------------|--------------------------|
| | Long-term | Short-term | Long-term | Short-term |
| | ₹ | ₹ | ₹ | ₹ |
| 7 Provisions | | | | |
| Provision for gratuity (refer note 7(a)) | - | 37,543,640 | - | 29,380,183 |
| Provision for compensated absences (refer note 7(b)) | - | 32,388,886 | - | 32,717,705 |
| Provision for Long term service award | 10,632,011 | 6,340,000 | - | - |
| Total | <u><u>10,632,011</u></u> | <u><u>76,272,526</u></u> | <u><u>-</u></u> | <u><u>62,097,888</u></u> |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

a) Gratuity

The Gratuity scheme is funded with an insurance company in the form of qualifying insurance policy. The following table sets out the status of the gratuity plan as required under Accounting Standard (AS) - 15, Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation and fair value of plan assets:

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| | ₹ | ₹ |
| Change in Present value of the defined benefit obligation | | |
| Present value of the defined benefit obligation at the beginning of the year | 55,177,695 | 50,738,804 |
| Interest cost | 3,729,323 | 3,704,976 |
| Current service cost | 11,417,095 | 12,099,212 |
| Actuarial Loss / (Gain) | 2,898,969 | -7,387,066 |
| Benefits paid | <u>(6,763,072)</u> | <u>(3,978,231)</u> |
| Present value of the defined benefit obligation at the end of the year | 66,460,010 | 55,177,695 |
| Change in plan assets | | |
| Fair value of plan assets at the beginning of the year | 25,797,512 | 19,568,834 |
| Expected return on plan assets | 2,079,946 | 1,722,218 |
| Employer contributions | 8,500,000 | 9,000,000 |
| Benefits paid | (6,763,072) | (3,978,231) |
| Actuarial loss | (199,089) | (23,301) |
| Charges | <u>(498,927)</u> | <u>(492,008)</u> |
| Fair value of plan assets at the end of the year | 28,916,370 | 25,797,512 |
| Reconciliation of present value of obligation and the fair value of plan assets | | |
| Present value of projected benefit obligation at the end of the year | 66,460,010 | 55,177,695 |
| Less: Fair value of plan assets at the end of the year | <u>28,916,370</u> | <u>25,797,512</u> |
| Net liability recognised in the Balance Sheet | 37,543,640 | 29,380,183 |
| Present value of the net defined benefit obligation at the end of the year | | |
| Long-term | - | - |
| Short-term | 37,543,640 | 29,380,183 |
| Total | 37,543,640 | 29,380,183 |
| Components of net gratuity costs are | | |
| Current service cost | 11,417,095 | 12,099,212 |
| Interest cost | 3,729,323 | 3,704,976 |
| Recognised net actuarial Loss / (gain) | 3,098,058 | (7,363,765) |
| Expected return on plan assets | <u>(2,079,946)</u> | <u>(1,722,218)</u> |
| Net gratuity costs | 16,164,530 | 6,718,205 |

| Experience history | 31 March 2020 | 31 March 2019 | 31 March 2018 | 31 March 2017 | 31 March 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| Present value of obligation | 66,460,010 | 55,177,695 | 50,738,804 | 44,195,137 | 33,802,704 |
| Plan assets | 28,916,370 | 25,797,512 | 19,568,834 | 18,852,292 | 13,801,473 |
| Deficit | 37,543,640 | 29,380,183 | 31,169,970 | 25,342,845 | 20,001,231 |
| Experience adjustment on plan liabilities - gain/(loss) | 163,566 | (3,571,512) | (3,878,320) | 935,094 | 3,69,641 |
| Experience adjustment on plan assets - (loss)/gain | <u>(199,089)</u> | <u>(23,301)</u> | 29,656 | 599,963 | 1,54,286 |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

Assumptions used

| | | |
|---|---|---|
| Discount rate | 6.40% | 7.20% |
| Long-term rate of compensation increase | 8% p.a. | 8% p.a. |
| Average future service (years) | 5.77 Years | 5.78 Years |
| Withdrawal rate | 17.00% | 17.00% |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

b) Compensated absences

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| | ₹ | ₹ |
| Assumptions used | | |
| Discount rate | 6.40% | 7.20% |
| Long-term rate of compensation increase | 8% p.a. | 8% p.a. |
| Average future service (years) | 5.77 Years | 5.78 Years |
| Withdrawal rate | 17.00% | 17.00% |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

The Company assesses these assumptions in terms of the prevalent industry standards and its plans. During the year, the Company has provided for ₹ 57,21,077 (Previous year ₹ 53,62,153) towards unfunded compensated absences benefit plan based on the actuarial valuation carried out as at 31 March 2020.

c) Defined contribution plan : Provident fund and other funds

During the year, the Company contributed ₹ 31,111,483 (Previous year ₹ 29,877,092) to the Provident fund and other funds.

| | As at 31 March 2020 | As at 31 March 2019 |
|---|--------------------------------|--------------------------------|
| | ₹ | ₹ |
| 8 Trade payables | | |
| Total outstanding dues of micro and small enterprises (refer note (a) below) | - | - |
| Total outstanding dues of creditors other than micro and small enterprises* | 22,451,987 | 37,617,541 |
| Other accrued liabilities | 15,465,151 | 16,159,399 |
| Total | 37,917,138 | 53,776,940 |

* Includes dues payable to related party (Refer Note 23)

(a) Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro and Small Enterprises Development Act, 2006 (MSMEDA). As identified by the management, no amounts are payable to such enterprises as of Balance Sheet date. There is no interest paid/payable during the year. The statutory auditors have relied upon this information.

9 Other current liabilities

| | | |
|--|-------------------|-------------------|
| Current maturities of long term borrowings | 718,004 | 654,610 |
| Capital creditors | 4,633,835 | - |
| Accrued employee related payables | 17,773,051 | 25,858,958 |
| Statutory dues | 25,072,480 | 20,490,187 |
| Other payables | 100,750 | 13,600 |
| Advance from customers | 2,736,975 | 2,773,690 |
| Total | 51,035,095 | 49,791,045 |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| 10 Property, plant and equipment and Intangible assets | | | | | | | | | ₹ |
|--|-------------------|--------------------|---------------------|------------------------|------------------|-------------------|--------------------|--------------------|-------------------------------|
| | Leasehold land | Building | Plant and machinery | Furniture and fixtures | Vehicles | Office equipment | Computers | Total | Intangible assets Software |
| Gross block | | | | | | | | | |
| Balance as at 1 April 2018 | 14,962,442 | 555,853,123 | 67,584,695 | 85,964,285 | 5,861,810 | 55,728,356 | 134,060,723 | 920,015,434 | 9,421,341 |
| Additions | - | - | - | 42,325 | - | 616,280 | 13,373,595 | 14,032,200 | - |
| Disposals | - | - | - | - | - | (983,902) | (14,191,478) | (15,175,380) | - |
| Restatement* | - | 36,802 | 7,224 | 7,611 | - | - | - | 51,637 | - |
| Balance as at 31 March 2019 | 14,962,442 | 555,889,925 | 67,591,919 | 86,014,221 | 5,861,810 | 55,360,734 | 133,242,840 | 918,923,891 | 9,421,341 |
| Additions | - | - | - | 400,000 | - | 348,248 | 7,652,115 | 8,400,363 | - |
| Disposals | - | - | - | - | - | (187,450) | - | (187,450) | - |
| Restatement* | - | (9,465) | (7,224) | (7,611) | - | - | - | (24,300) | - |
| Balance as at 31 March 2020 | 14,962,442 | 555,880,460 | 67,584,695 | 86,406,610 | 5,861,810 | 55,521,532 | 140,894,955 | 927,112,504 | 9,421,341 |
| Accumulated depreciation and amortisation | | | | | | | | | |
| Balance as at 1 April 2018 | 1,302,180 | 57,526,782 | 17,902,990 | 34,159,237 | 819,696 | 35,307,798 | 118,394,060 | 265,412,743 | 9,421,341 |
| Depreciation and amortisation charge | 157,500 | 17,685,577 | 4,425,548 | 8,487,813 | 578,846 | 7,987,084 | 12,611,823 | 51,934,191 | - |
| Reversal on disposals | - | - | - | - | - | (929,343) | (14,174,499) | (15,103,842) | - |
| Balance as at 31 March 2019 | 1,459,680 | 75,212,359 | 22,328,538 | 42,647,050 | 1,398,542 | 42,365,539 | 116,831,384 | 302,243,092 | 9,421,341 |
| Depreciation and amortisation charge | 157,500 | 17,714,446 | 4,436,411 | 8,335,792 | 580,220 | 6,725,871 | 10,902,636 | 48,852,876 | - |
| Reversal on disposals | - | - | - | - | - | (109,291) | - | (109,291) | - |
| Balance as at 31 March 2020 | 1,617,180 | 92,926,805 | 26,764,949 | 50,982,842 | 1,978,762 | 48,982,119 | 127,734,020 | 350,986,677 | 9,421,341 |
| Net block | | | | | | | | | |
| Balance as at 31 March 2019 | 13,502,762 | 480,677,566 | 45,263,381 | 43,367,171 | 4,463,268 | 12,995,195 | 16,411,456 | 616,680,799 | - |
| Balance as at 31 March 2020 | 13,345,262 | 462,953,655 | 40,819,746 | 35,423,768 | 3,883,048 | 6,539,413 | 13,160,935 | 576,125,827 | - |

* This represents exchange differences arising in respect of translation of long term foreign currency monetary items attributable to the acquisition of a depreciable asset, capitalised as per para 46A of Accounting Standard 11, "The Effects of Changes in Foreign Exchange Rates".

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|-------------------|---------------------|-------------------|
| | Long-term | Short-term | Long-term | Short-term |
| | ₹ | ₹ | ₹ | ₹ |
| 11 Loans and advances | | | | |
| Unsecured, considered good, unless otherwise stated | | | | |
| Capital advances | 37,147,915 | - | 25,640,915 | - |
| Security deposits | 1,669,726 | - | 1,694,726 | - |
| Prepaid expenses | 26,913 | 13,659,875 | 926,235 | 8,781,815 |
| Advances to employees | - | 1,993,854 | - | 5,603,569 |
| Advance tax including tax deducted at source (net of provision for taxation) | 32,954,156 | - | 19,497,817 | - |
| MAT credit entitlement | 146,617,369 | - | 149,606,486 | - |
| Balances with statutory/ government authorities | 27,860,132 | - | 27,615,214 | - |
| Advance to suppliers | - | 461,473 | - | 1,024,136 |
| Loan to related party* (Inclusive of accrued Interest amounting to ₹ 45,25,685) | - | 64,525,685 | - | - |
| Total | 246,276,211 | 80,640,887 | 224,981,393 | 15,409,520 |

* Refer Note 23

| | As at | As at |
|--|--------------------|--------------------|
| | 31 March 2020 | 31 March 2019 |
| | ₹ | ₹ |
| 12 Trade receivables | | |
| Outstanding for a period more than six months from the date they are due for payment | | |
| from related parties (refer note 23) | 146,100,478 | 76,662,055 |
| from others | 198,729 | - |
| Other receivables | | |
| - Unsecured, considered good | | |
| from related parties (refer note 23) | 571,589,591 | 694,924,009 |
| from others | 75,967,995 | 68,850,257 |
| Total | 793,856,793 | 840,436,321 |

13 Cash and bank balances

Cash and cash equivalents

| | | |
|--|--------------------|-------------------|
| Balances with banks in current accounts | 143,204,841 | 31,731,555 |
| Deposits with original maturity less than 3 months | 190,000,000 | 37,200,000 |
| Total | 333,204,841 | 68,931,555 |

| | As at | As at |
|--------------------------------|-------------------|-------------------|
| | 31 March 2020 | 31 March 2019 |
| | ₹ | ₹ |
| 14 Other current assets | | |
| Unbilled revenue* | 92,916,226 | 14,209,910 |
| Other receivables* | 1,538,425 | 5,145,479 |
| Total | 94,454,651 | 19,355,389 |

* Refer Note 23

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

15 Contingent liabilities

(a) Contingent liabilities

| | | |
|--|-------------------------|-------------------------|
| Provident fund (Refer note (i) below) | Amount not determinable | Amount not determinable |
| <u>Claims against the Company not acknowledged as debt</u> | | |
| Service tax Assessments | 29,950,942 | - |

- (i) The Honourable Supreme Court, has passed a judgement on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.
- (ii) During the current year, the Company has received a show cause notice from the Additional Commissioner of Central Goods and Service Tax Audit-I Commissioner at Pune towards non-payment of service tax with regards to imports of services on reverse charge basis (as a recipient of service) in respect of the onsite service received by Company from Non-taxable territory for the period from FY 2014-15 to FY 2017-18. The Company, based on the legal advice, believes that the claim of the department is not tenable. Accordingly, no provision towards potential liability has been considered necessary in the financial statements.

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|---|---|
| | ₹ | ₹ |
| 16 Revenue from operations | | |
| Sale of services | | |
| Export | 1,099,698,654 | 1,041,001,292 |
| Domestic | 195,611,597 | 160,453,527 |
| Reimbursement income | 92,712,539 | 125,076,441 |
| Total | 1,388,022,790 | 1,326,531,260 |
| 17 Other income | | |
| Interest income on bank deposits | 6,313,840 | 1,736,001 |
| Interest income on Loan given to Related Party (refer note 23) | 4,525,685 | - |
| Gain on foreign currency transactions and translations (net) | 46,614,942 | 7,468,739 |
| Gain on disposal of property, plant and equipment (net) | 20,431 | 475,281 |
| Scrip Sales | - | 47,033,406 |
| Liabilities / provisions written back to the extent no longer required | - | 2,200,000 |
| Other miscellaneous income | 373,022 | 579,096 |
| Total | 57,847,920 | 59,492,523 |
| 18 Employee benefits expense | | |
| Salaries, wages and bonus (refer note 7(a) and 7(b)) | 717,501,875 | 692,078,190 |
| Contribution to provident fund and other funds (refer note 7(c)) | 31,111,483 | 29,877,092 |
| Staff welfare expenses | 37,285,465 | 32,161,818 |
| Total | 785,898,823 | 754,117,100 |
| 19 Finance costs | | |
| Interest on ECB (refer note 23) | - | 3,550,721 |
| Interest - Others | 4,883,418 | 892,018 |
| Bank charges | 1,126,862 | 797,560 |
| Total | 6,010,280 | 5,240,299 |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| | ₹ | ₹ |
| 20 Depreciation and amortisation expense | | |
| Depreciation of property, plant and equipment (refer note 10) | 48,852,876 | 51,934,191 |
| Total | 48,852,876 | 51,934,191 |
| 21 Other expenses | | |
| Power | 15,713,319 | 15,668,129 |
| Rates and Taxes | 643,821 | 247,166 |
| Travel and conveyance | 34,928,266 | 45,127,145 |
| Recruitment and training expenses | 1,925,094 | 15,521,825 |
| Marketing and advertisement | 81,632 | 2,454,409 |
| Legal and professional fees | 28,114,062 | 34,381,043 |
| Payments to auditors (refer note 21(a) below) | 879,000 | 837,500 |
| Communication | 4,537,826 | 5,593,411 |
| Repairs and maintenance | 9,240,344 | 6,954,159 |
| Housekeeping charges | 17,289,420 | 17,241,245 |
| Annual maintenance charges for licenses | 82,585,648 | 89,175,922 |
| Expenditure towards Corporate Social Responsibility activities (refer note 28) | 951,827 | 276,171 |
| Miscellaneous expenses | 4,051,713 | 6,005,249 |
| Total | 200,941,972 | 239,483,374 |
| (a) Auditors' remuneration (on accrual basis) | | |
| As auditor | | |
| Statutory audit | 871,000 | 829,500 |
| Reimbursement of expenses | 8,000 | 8,000 |
| Total | 879,000 | 837,500 |
| 22 Earnings per equity share | | |
| a) Net profit for the year for computation of | | |
| Basic and diluted earnings per share (₹) | 331,711,616 | 273,874,032 |
| b) Weighted average number of outstanding equity shares for computation of | | |
| Basic and diluted earnings per share | 114,755 | 114,755 |
| c) Nominal value of shares (₹) | 10 | 10 |
| d) Earnings per equity share | | |
| Basic and diluted (₹) | 2,890.61 | 2,386.60 |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

23 Related party disclosures

a) Names of related parties

| Relationship | Name |
|---|--|
| Ultimate Holding Company | Expleo France (Formerly known as Assytems France) |
| Holding company | Expleo Technology Germany AG (Formerly Known as SQS Software Quality Systems AG) |
| Key management personnel (KMP) | Mr. Prashant Bramhankar - Managing Director Mr. Abhijit Atre - Sr. Finance Director Mr. Ralph Gillessan - Director |
| Fellow subsidiary companies with whom transactions have taken place | Expleo Technology UK Limited (Formerly Known as SQS Group Limited,UK) Expleo Technologies USA Inc. Expleo Technology Ireland Limited (Formerly Known As SQS Software Quality Systems (Ireland) Ltd) Expleo South Africa (Pty) Ltd. (Formerly known as SQS Software Quality Systems (South Africa) Limited) Expleo Technology Switzerland AG (Formerly Known As SQS Software Quality Systems (Schewiz) AG) SQS Software Quality Systems Finland OY Expleo Netherland B.V. (Formerly Known As SQS Netherland B.V.) Expleo Group Austria GmbH (Formerly Known As SQS Software Quality Systems Ges.Mbh (Austria)) Expleo Group Management Consulting Austria GmbH (Formerly Known As SQS Group Management Consulting GmbH Austria) Expleo Solutions Limited (Formerly Known As SQS India BFSI Limited) SQS Software Quality Systems France SASU Trissential LLC SQS North America LLC Expleo Technology Egypt (Formerly Known As SQS Software Quality Systems Egypt) Expleo Sweden AB (Formerly Known As SQS Software Quality Systems Sweden AB) Expleo Italia S.p.A. Expleo Nordic AB (Formerly Known As SQS Software Quality Systems Nordic AB) Expleo Consulting Germany GmbH (Formerly Known As SQS Group Management Consulting GmbH (Germany)) SQS BFSI Inc. Expleo Technologies India Private Limited (Formerly known as Asssystems Technologies India Private Limited) Expleo Romania Expleo Services SASU Expleo Engineering UK Expleo Group SAS Expleo Technology Germany GmbH |

| Year ended | Year ended |
|----------------------|----------------------|
| 31 March 2020 | 31 March 2019 |
| ₹ | ₹ |

b) Transactions with related parties

Sale of services (including unbilled revenue)

| | | |
|---|-----------------------------|---------------------------|
| Expleo Technology Germany AG | 328,965,035 | 294,858,131 |
| Expleo Technologies USA Inc. | 126,973,162 | 147,642,595 |
| Expleo Technology UK Limited | 285,852,973 | 260,502,424 |
| Expleo Technology Ireland Limited | 64,125,389 | 81,953,873 |
| Expleo South Africa (Pty) Ltd. | 22,620,655 | 17,319,044 |
| Expleo Technology Switzerland AG | 6,876,583 | 6,206,218 |
| SQS Software Quality Systems Finland OY | 3,711,894 | 3,168,492 |
| Expleo Netherlands B.V. | 16,639,896 | 6,795,631 |
| Expleo Group Austria GmbH | 91,153,958 | 111,889,766 |
| Expleo Group Management Consulting Austria GmbH | 828,941 | 2,105,312 |
| Expleo Solutions Limited | 16,265,039 | 9,807,767 |
| Trissential LLC | 4,680,548 | 11,554,523 |
| SQS North America, LLC | 10,806,306 | 6,548,055 |
| Expleo Technologies India Pvt. Ltd. | 13,725,451 | 344,736 |
| Expleo France | 6,603,965 | 19,584,367 |
| Expleo Technology Germany GmbH | 4,372,581 | - |
| Total | <u>1,004,202,376</u> | <u>980,280,934</u> |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| | ₹ | ₹ |
| Reimbursement income and reimbursement of expenses receivable/received by the Company (gross) | | |
| Expleo Technology Germany AG | 18,848,562 | 90,530,238 |
| Expleo Technologies USA Inc. | 4,696,707 | 1,933,385 |
| Expleo Technology UK Limited | 19,100,020 | 10,692,784 |
| Expleo Technology Ireland Limited | 10,284,657 | 3,873,657 |
| Expleo South Africa (Pty) Ltd. | 792,244 | 1,026,057 |
| Expleo Technology Egypt | 2,665,045 | 51,361 |
| Expleo Netherlands B.V. | 5,481,643 | 687,982 |
| Expleo Group Austria GmbH | 3,036,867 | 5,547,602 |
| SQS Software Quality Systems France SASU | 2,370,133 | 185,909 |
| Expleo Solutions Limited | 3,923,947 | 7,060,489 |
| SQS North America, LLC | 394,862 | 27,095 |
| Trissential LLC | 3,198,960 | 764,101 |
| Expleo Service SASU | 2,752,000 | - |
| Expleo Technologies India Private Limited | 293,371 | - |
| Expleo South Africa Holding (Pty) Ltd. | 5,602,468 | - |
| Expleo Romania | 64,120 | - |
| Expleo Nordic AB | 858,784 | - |
| Expleo Italia S.p.A. | 1,945,650 | - |
| Expleo Group Management Consulting Austria GmbH | 839,459 | - |
| Expleo Technology Germany GMBH | 5,106,668 | - |
| Expleo Technology Switzerland AG | 367,863 | - |
| Expleo Consulting Germany GmbH | 51,361 | - |
| Expleo Engineering UK | 37,148 | - |
| Total | 92,712,539 | 122,380,660 |
| Interest Income | | |
| Expleo Technologies India Private Limited | 4,525,685 | - |
| Loan Given | | |
| Expleo Technologies India Private Limited | 90,000,000 | - |
| Loan Repayment | | |
| Expleo Technologies India Private Limited | 30,000,000 | - |
| Legal and professional fees | | |
| Expleo Solutions Limited | 2,808,102 | 3,818,822 |
| Expleo Technology UK Limited | 1,943,858 | 324,004 |
| Total | 4,751,960 | 4,142,826 |
| Reimbursement of expenses payable/ paid by the Company (gross) | | |
| Expleo Technologies USA Inc | 73,330 | - |
| Expleo Technology UK Limited | 7,084,277 | 4,248,134 |
| Expleo Solutions Limited | 153,000 | 4,449,119 |
| Expleo Technology Germany AG | - | 23,301,413 |
| Expleo South Africa (Pty) Ltd. | 1,208,892 | 4,424 |
| Expleo Technology Ireland Limited | 403,940 | 2,320,661 |
| Expleo Services SASU | 2,375,913 | - |
| Expleo Technologies India Private Limited | 91,434 | - |
| SQS North America LLC | 28,299 | - |
| Expleo Group SAS | 115,944 | - |
| Expleo Technology Germany GmbH | 4,657,557 | - |
| Total | 16,192,586 | 34,323,751 |
| Interest expense during the year | | |
| Expleo Technology Germany AG | - | 3,550,721 |
| Total | - | 3,550,721 |
| Salary and perquisites* and contribution to provident fund** | | |
| Prashant Bramhankar | 13,195,491 | 9,667,041 |
| Abhijit Atre | 9,985,764 | 9,083,323 |
| Total | 23,181,255 | 18,750,364 |

*Perquisites to KMP have been valued as per Income-tax Act, 1961 and rules framed thereunder or at actuals as the case may be.

** Excludes amounts accrued towards Gratuity, compensated absences and long term service awards, determined for the Company as a whole.

During the year ended 31 March 2019, the Company has received certain assets, free of cost, from its Holding company. Though the Company derives benefits from these assets, ownership rests with the holding company and accordingly the asset has not been capitalised in the books of the Company.

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| | ₹ | ₹ |
| c) Balances with related parties | | |
| Trade balances due to | | |
| Expleo Technology UK Limited | 4,795,232 | 3,534,659 |
| Expleo Technology Germany AG | 6,624,798 | 21,237,771 |
| Expleo Solutions Limited | 677,888 | 855,601 |
| Expleo Services SASU | 851,732 | - |
| Expleo South Africa (Pty) Ltd. | 835,114 | - |
| Expelo Group SAS | 121,990 | - |
| Expleo Technologies India Private Limited | 102,600 | - |
| Expelo France | 2,041,827 | - |
| Expleo Technologies USA Inc | 77,830 | - |
| Expleo Ireland | 339,690 | - |
| Total | 16,468,701 | 25,628,031 |
| Trade balances due from (including unbilled revenue) | | |
| Expleo Technology Germany AG | 360,241,837 | 288,902,490 |
| Expleo Technology UK Limited | 180,196,172 | 215,590,055 |
| Expleo Technologies USA Inc | 176,671,941 | 151,558,499 |
| Expleo Technology Egypt | 448,702 | 49,405 |
| Expleo Technology Switzerland AG | 1,005,393 | 1,137,673 |
| Expleo Technology Ireland Limited | 23,951,422 | 23,488,856 |
| Expleo Group Austria GmbH | 13,450,959 | 52,406,569 |
| Expleo Netherlands B.V. | 8,545,579 | 3,999,816 |
| SQS Software Quality Systems Finland OY | 554,425 | 264,754 |
| Expleo South Africa (Pty) Ltd. | 4,046,040 | 6,676,088 |
| Expleo Group Management Consulting Austria GmbH | - | 319,309 |
| Expleo Solutions Limited | 6,811,769 | 5,944,996 |
| SQS North America, LLC | 8,516,783 | 5,348,799 |
| Trissential LLC | - | 496,166 |
| Expleo France | 890,433 | 9,470,390 |
| Expleo Technologies India Pvt. Ltd. | 12,777,209 | 372,315 |
| Expleo Romania | 269,604 | - |
| Expleo Services France SASU | 1,663,098 | - |
| Expleo Consulting Germany GmbH | 215,960 | - |
| Expleo Engineering UK | 156,197 | - |
| Expleo Italia S.p.A. | 2,035,283 | - |
| Expleo South Africa Holding (Pty) Ltd. | 916,075 | - |
| Total | 803,364,881 | 766,026,180 |
| Loan Receivable (Inclusive of Interest Accrued) | | |
| Expleo Technologies India Private Limited | 64,525,685 | - |
| | 64,525,685 | - |
| | Year ended | Year ended |
| | 31 March 2020 | 31 March 2019 |
| | ₹ | ₹ |
| 24 Value of imports on CIF basis | | |
| Property, plant and equipment | 5,870,781 | 12,283,415 |
| Total | 5,870,781 | 12,283,415 |
| 25 Earnings in foreign currency (accrual basis) | | |
| Value of services exported | 1,099,698,654 | 1,041,001,292 |
| Reimbursements | 88,495,221 | 124,485,077 |
| Total | 1,188,193,875 | 1,165,486,369 |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| | ₹ | ₹ |
| 26 Expenditure in foreign currency (accrual basis) | | |
| Travelling expenses | 140,832 | 498,401 |
| Reimbursement of expenses | 14,328,273 | 6,528,650 |
| Interest expense | - | 3,550,721 |
| Professional fees | 1,943,858 | 1,133,595 |
| Annual maintenance charges for licenses | - | 24,658,148 |
| Total | 16,412,963 | 36,369,515 |

27 Unhedged foreign currency exposure as at the reporting date

| Currency | Foreign currency amount | | Exchange rate | | Balance as on (₹) | |
|----------------------|-------------------------|---------------|---------------|---------------|-------------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Receivable | | | | | | |
| USD | 2,941,936 | 2,727,267 | 75.3859 | 69.1713 | 221,780,503 | 188,648,604 |
| GBP | 1,922,807 | 2,430,482 | 93.0760 | 90.4756 | 178,967,184 | 219,899,317 |
| EURO | 5,033,113 | 4,922,662 | 83.0496 | 77.7024 | 417,998,017 | 382,502,652 |
| ZAR | 981,528 | 1,280,633 | 4.1735 | 4.7709 | 4,096,407 | 6,109,772 |
| Payable | | | | | | |
| GBP | 51,275 | 3,526 | 93.0760 | 90.4756 | 4,772,491 | 319,017 |
| EURO | 123,764 | 314,635 | 83.0496 | 77.7024 | 10,278,519 | 24,447,895 |
| USD | 66,029 | - | 75.3859 | 69.1713 | 4,977,626 | - |
| ZAR | 197,545 | - | 4.1735 | 4.7709 | 824,453 | - |
| Bank balances | | | | | | |
| USD | 123,336 | - | 75.3859 | 69.1713 | 9,297,832 | - |
| GBP | 334,571 | - | 93.0760 | 90.4756 | 31,140,530 | - |
| EURO | - | 47,602 | 83.0496 | 77.7024 | - | 3,698,790 |
| CHF | 200 | 200 | 78.4650 | 69.6361 | 15,693 | 13,927 |
| ZAR | 250,080 | - | 4.1735 | 4.7709 | 1,043,709 | - |

28 Corporate Social Responsibility

Section 135 of the Companies Act, 2013 and rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or net profit of ₹ 5 crore or more during immediately preceding financial year shall ensure that the company spends, in every financial year, atleast 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of the Corporate Social Responsibility Policy. The financial details as sought by the Companies Act, 2013 are as follows :

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Average net profit of the Company for the last three financial years | 335,682,614 | 310,220,425 |
| Prescribed CSR expenditure (2% of the average net profit as computed above) | 6,713,652 | 6,204,408 |
| Details of CSR expenditure during the financial year: | | |
| Total amount to be spent for the financial year | 6,713,652 | 6,204,408 |
| Amount spent | 951,827 | 276,171 |
| Amount unspent | 5,761,825 | 5,928,237 |

Expleo India Infosystems Private Limited
(Formerly known as 'SQS India Infosystems Private Limited')
Summary of significant accounting policies and other explanatory information

- 29 Based on similarity of activities/ services, risk and reward structure, organization structure and internal reporting systems, the Company has structured its operations into one reportable business segment. Secondary segment reporting is performed on the basis of location of customers. The Company caters primarily to customers operating outside India, which is considered as a single geographical segment.
- 30 The Company is closely monitoring the impact of COVID 19 on all aspects of its business, customers, employees, and vendors. The management has exercised prudence in reviewing and concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, loans and assessment for impairment of Property, plant and equipment and Capital work-in-progress. Based on the information from the internal and external sources; the management estimates to recover the carrying amount of these assets and currently does not foresee any material impairment.
- 31 In the opinion of the management, all international transactions with associated enterprises are undertaken at negotiated, contracted prices on usual commercial terms. The Company has appointed an independent accountant for conducting a Transfer Pricing Study in accordance with the provisions of the Income tax Act, 1961. The study for the financial year ended 31 March 2020 is currently in progress and adjustments if any, arising subsequent to completion of such study are not expected to materially impact the financial statements.
- 32 **Previous year figures**
Previous year figures have been regrouped/ reclassified, wherever required, to conform to current year classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**BHARAT
KOCHU
SHETTY**

Digitally signed by
BHARAT KOCHU
SHETTY
Date: 2020.08.13
21:33:42 +05'30'

Bharat Shetty
Partner
Membership No.: 106815

Place: Mumbai
Date: 13 August 2020

For and on behalf of Board of directors

**ABHIJIT
MUKUND
ATRE**

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ATRE
Date: 2020.08.13
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Abhijit Atre
Director
DIN: 03338158

Place: Pune
Date: 13 August 2020

**PRASHANT
EKNATH
BRAMHANKAR**

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BRAMHANKAR
Date: 2020.08.13
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Prashant Bramhankar
Director
DIN: 07439819

Place: Pune
Date: 13 August 2020