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**Walker ChandioK & Co LLP**

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**Independent Auditor's Report**

**To the Members of Expleo 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 2021**, 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 2021, 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.



**Expleo India Infosystems Private Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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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 Annual Report 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. Those 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;



**Expleo India Infosystems Private Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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- 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 the 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 2021 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 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 June 2021 as per Annexure B expressed unmodified opinion; and



**Expleo India Infosystems Private Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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- 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 2021;
  - 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 2021;
  - 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 2021; 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 Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No:001076N/N500013



**Shashi Tadwalkar**  
Partner  
Membership No:101797

**UDIN:21101797AAAABK8280**

Place: Pune  
Date: 25 June 2021

**Expleo India Infosystems Private Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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**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 2021**

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.



**Expleo India Infosystems Private Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

**Annexure A (Contd)**

- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-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.
- (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	31,853,933	-	FY 2014-15 FY 2015-16 FY 2016-17 FY 2017-18	Additional Commissioner CGST, Audit-I Commissioner ate, Pune
Finance Act, 1994	Service Tax	647,244,944	-	FY 2015-16 FY 2016-17	Principal Commissioner CGST, Pune
Maharashtra Value Added Tax Act, 2002	Value Added Tax	17,688,703	17,232,232	FY 2015-16	Deputy commissioner of state tax
Income Tax Act, 1961	Income Tax	55,514,750	-	FY 2017-18	Commissioner of Income Tax (Appeals)

- (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.



**Expleo India Infosystems Private Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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**Annexure A (Contd)**

- (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 Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No:001076N/N500013



**Shashi Tadwalkar**  
Partner  
Membership No:101797

**UDIN:21101797AAAABK8280**

Place: Pune  
Date: 25 June 2021

**Expleo India Infosystems Private Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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**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 2021**

**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 2021, 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.





**Annexure B (Contd)**

**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 2021, 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 Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No:001076N/N500013



**Shashi Tadwalkar**  
Partner  
Membership No:101797

**UDIN:21101797AAAABK8280**

Place: Pune  
Date: 25 June 2021

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

	Notes	As at 31 March 2021 ₹	As at 31 March 2020 ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,147,550	1,147,550
Reserves and surplus	4	2,245,298,386	1,987,946,832
		<u>2,246,445,936</u>	<u>1,989,094,382</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	1,958,694
Deferred tax liabilities (net)	6	-	8,967,419
Long-term provisions	7	10,423,712	10,632,011
		<u>10,423,712</u>	<u>21,558,124</u>
<b>Current liabilities</b>			
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	54,234,803	37,917,138
Other current liabilities	9	54,977,143	51,035,095
Short-term provisions	7	99,526,502	76,272,526
		<u>208,738,448</u>	<u>165,224,759</u>
<b>Total</b>		<b><u>2,465,608,096</u></b>	<b><u>2,175,877,265</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	550,845,575	576,125,827
Intangible assets	10	-	-
Capital work-in-progress	32	51,318,055	51,318,055
Long-term loans and advances	11	236,901,717	246,276,211
Deferred tax assets (net)	6	1,285,335	-
		<u>840,350,682</u>	<u>873,720,093</u>
<b>Current assets</b>			
Trade receivables	12	1,154,981,191	793,856,793
Cash and bank balances	13	405,063,181	333,204,841
Short-term loans and advances	11	37,129,264	80,640,887
Other current assets	14	28,083,778	94,454,651
		<u>1,625,257,414</u>	<u>1,302,157,172</u>
<b>Total</b>		<b><u>2,465,608,096</u></b>	<b><u>2,175,877,265</u></b>

The accompanying notes 1 to 34 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



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797

Place: Pune  
Date : 25 June 2021



**PRASAD  
GOVIND  
SATKAR**

For and on behalf of Board of directors of  
**Expleo India Infosystems Private Limited**  
CIN : U72200PN2003PTC018619

Digitally signed  
by PRASAD  
GOVIND SATKAR

**Prasad Satkar**  
Director  
DIN: 09137671

Place: Pune  
Date : 25 June 2021

Digitally signed  
by PRASHANT  
EKNATH  
BRAMHANKAR

**Prashant Bramhankar**  
Director  
DIN: 07439819

Place: Pune  
Date : 25 June 2021

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

	Notes	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
<b>Revenue</b>			
Revenue from operations	16	1,313,261,692	1,388,022,790
Other income	17	59,808,262	57,847,920
<b>Total revenue</b>		<b>1,373,069,954</b>	<b>1,445,870,710</b>
<b>Expenses</b>			
Employee benefits expense	18	844,457,504	785,898,823
Finance costs	19	719,165	6,010,280
Depreciation and amortisation expense	20	47,855,339	48,852,876
Other expenses	21	177,533,187	200,941,972
<b>Total expenses</b>		<b>1,070,565,195</b>	<b>1,041,703,951</b>
<b>Profit before tax</b>		<b>302,504,759</b>	<b>404,166,759</b>
<b>Tax expense</b>			
Current tax		53,356,054	71,886,303
Tax adjustment of earlier years		(1,376,650)	-
Reversal of MAT Credit		3,426,555	2,989,117
Deferred tax credit		(10,252,754)	(2,420,277)
		<b>45,153,205</b>	<b>72,455,143</b>
<b>Net Profit</b>		<b>257,351,554</b>	<b>331,711,616</b>
<b>Earnings per equity share</b>			
Basic and diluted	22	2,242.62	2,890.61

**The accompanying notes 1 to 34 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



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797

Place: Pune  
Date : 25 June 2021



For and on behalf of Board of directors of  
**Expleo India Infosystems Private Limited**  
CIN : U72200PN2003PTC018619

**PRASAD  
GOVIND  
SATKAR**

Digitally signed  
by PRASAD  
GOVIND  
SATKAR

**Prasad Satkar**  
Director  
DIN: 09137671

Place: Pune  
Date : 25 June 2021

**PRASHANT  
EKNATH  
BRAMHANKA  
R** Digitally signed  
by PRASHANT  
EKNATH  
BRAMHANKAR

**Prashant Bramhankar**  
Director  
DIN: 07439819

Place: Pune  
Date : 25 June 2021

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

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>302,504,759</b>	<b>404,166,759</b>
Non-cash adjustments to reconcile profit before tax to net cash flow from operating activities		
Depreciation and amortisation expense	47,855,339	48,852,876
Gain on sale of property, plant and equipment (net)	(4,775)	(20,431)
Unrealised gain on foreign currency transactions and translations	(47,669,587)	(39,038,559)
Interest income	(11,251,174)	(10,839,525)
Finance costs	719,165	6,010,280
<b>Operating profit before working capital changes</b>	<b>292,153,727</b>	<b>409,131,400</b>
Movements in working capital:		
(Increase) / Decrease in trade receivables	(315,311,257)	85,312,251
(Increase) / Decrease in other current assets	65,307,646	(75,099,262)
(Increase) / Decrease in long-term loans and advances	(123,824)	679,404
(Increase) / Decrease in short-term loans and advances	7,364,363	(705,682)
(Decrease)/Increase in trade payables	16,203,666	(16,713,528)
(Decrease)/Increase in other current liabilities	1,744,480	(3,453,179)
(Decrease)/Increase in long-term and short-term provisions	23,045,677	24,806,649
<b>Cash generated from operations</b>	<b>90,384,478</b>	<b>423,958,053</b>
Direct taxes paid (net of refunds)	(45,907,641)	(85,342,642)
<b>Net cash generated from operating activities (A)</b>	<b>44,476,837</b>	<b>338,615,411</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress	(21,619,684)	(15,249,228)
Proceeds from sale of property, plant and equipment	6,250	98,590
Interest received on bank deposits	8,461,661	6,313,840
Loan granted to Related parties	-	(90,000,000)
Repayment of loan by Related parties	40,000,000	30,000,000
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>26,848,227</b>	<b>(68,836,798)</b>
<b>Cash flows from financing activities</b>		
Finance costs paid	(719,165)	(6,010,280)
Repayment of borrowings	(718,004)	(654,609)
<b>Net cash used in financing activities (C)</b>	<b>(1,437,169)</b>	<b>(6,664,889)</b>
<b>Effect of exchange rate differences on translation of foreign currency cash and cash equivalents (D)</b>	<b>1,970,445</b>	<b>1,159,562</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>71,858,340</b>	<b>264,273,286</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>333,204,841</b>	<b>68,931,555</b>
<b>Cash and cash equivalents at the end of the year (refer Note 13)</b>	<b>405,063,181</b>	<b>333,204,841</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	246,663,181	143,204,841
Deposits with original maturity less than 3 months	158,400,000	190,000,000
<b>Cash and cash equivalents as per books (refer Note 13)</b>	<b>405,063,181</b>	<b>333,204,841</b>

The accompanying notes 1 to 34 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



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797



Place: Pune  
Date : 25 June 2021

For and on behalf of Board of directors of  
**Expleo India Infosystems Private Limited**  
CIN : U72200PN2003PTC018619

PRASAD  
GOVIND  
SATKAR

Digitally signed  
by PRASAD  
GOVIND SATKAR

**Prasad Satkar**  
Director  
DIN: 09137671

Place: Pune  
Date : 25 June 2021

PRASHANT  
EKNATH  
BRAMHANKAR

Digitally signed  
by PRASHANT  
EKNATH  
BRAMHANKAR

**Prashant Bramhankar**  
Director  
DIN: 07439819

Place: Pune  
Date : 25 June 2021

**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, outcome of litigation 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. 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.



**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 2021		As at 31 March 2020	
	Number	Amounts ₹	Number	Amounts ₹
<b>3 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	850,000	8,500,000	850,000	8,500,000
<b>Total</b>	<b>850,000</b>	<b>8,500,000</b>	<b>850,000</b>	<b>8,500,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	114,755	1,147,550	114,755	1,147,550
<b>Total</b>	<b>114,755</b>	<b>1,147,550</b>	<b>114,755</b>	<b>1,147,550</b>

**a) Reconciliation of equity share capital**

	Number	Amounts ₹	Number	Amounts ₹
<b>Equity shares of ₹ 10 each</b>				
Balance at the beginning of the year	114,755	1,147,550	114,755	1,147,550
Add : Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>114,755</b>	<b>1,147,550</b>	<b>114,755</b>	<b>1,147,550</b>

**b) Shares held by holding company**

	Number	Amounts ₹	Number	Amounts ₹
<b>Equity shares of ₹ 10 each</b>				
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
<b>Equity shares of ₹ 10 each</b>				
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 2021	31 March 2020
	₹	₹
<b>4 Reserves and surplus</b>		
<b>a. Capital redemption reserve</b>		
Balance at the beginning of the year	5,450,000	5,450,000
Add: Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>5,450,000</b>	<b>5,450,000</b>
<b>b. Capital reserve on account of amalgamation pursuant to high court order</b>		
Balance at the beginning of the year	1,852,450	1,852,450
Add: Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>1,852,450</b>	<b>1,852,450</b>



**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 2021	As at 31 March 2020
	₹	₹
<b>4 Reserves and surplus (Continued)</b>		
<b>c. General reserve</b>		
Balance at the beginning of the year	5,732,228	5,732,228
Add: Additions during the year	-	-
<b>Balance at the end of the year</b>	<u>5,732,228</u>	<u>5,732,228</u>
<b>d. Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	1,974,912,154	1,643,200,538
Add: Profit for the year	257,351,554	331,711,616
<b>Balance at the end of the year</b>	<u>2,232,263,708</u>	<u>1,974,912,154</u>
<b>Total (a+b+c+d)</b>	<u><u>2,245,298,386</u></u>	<u><u>1,987,946,832</u></u>

	As at 31 March 2021	As at 31 March 2020
	₹	₹
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
Indian rupee loan from financial institution#	-	1,958,694
<b>Total</b>	<u>-</u>	<u>1,958,694</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.

	As at 31 March 2021	As at 31 March 2020
	₹	₹
<b>6 Deferred tax assets/ liabilities (net)</b>		
<b>Deferred tax liability on</b>		
Depreciation/ amortisation on Property, plant and equipment and intangible asset	37,041,413	34,274,021
<b>Total</b>	<u>37,041,413</u>	<u>34,274,021</u>
<b>Deferred tax assets on</b>		
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	38,326,748	25,306,602
<b>Total</b>	<u>38,326,748</u>	<u>25,306,602</u>
<b>Deferred tax (assets)/ liabilities - net</b>	<u><u>(1,285,335)</u></u>	<u><u>8,967,419</u></u>

	As at 31 March 2021		As at 31 March 2020	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
<b>7 Provisions</b>				
Provision for gratuity (refer note 7(a))	-	43,945,887	-	37,543,640
Provision for compensated absences (refer note 7(b))	-	45,370,615	-	32,388,886
Provision for Long term service award	10,423,712	10,210,000	10,632,011	6,340,000
<b>Total</b>	<u>10,423,712</u>	<u>99,526,502</u>	<u>10,632,011</u>	<u>76,272,526</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 2021	Year ended 31 March 2020
	₹	₹
<b>Change in Present value of the defined benefit obligation</b>		
Present value of the defined benefit obligation at the beginning of the year	66,460,010	55,177,695
Interest cost	4,176,610	3,729,323
Current service cost	14,044,410	11,417,095
Actuarial Loss / (Gain)	(1,341,708)	2,898,969
Benefits paid	(2,400,956)	(6,763,072)
Present value of the defined benefit obligation at the end of the year	<b>80,938,366</b>	<b>66,460,010</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	28,916,370	25,797,512
Expected return on plan assets	2,335,078	2,079,946
Employer contributions	8,984,155	8,500,000
Benefits paid	(2,400,956)	(6,763,072)
Actuarial Loss	(700,670)	(199,089)
Mortality Charges and taxes	(141,498)	(498,927)
Fair value of plan assets at the end of the year	<b>36,992,479</b>	<b>28,916,370</b>
<b>Reconciliation of present value of obligation and the fair value of plan assets</b>		
Present value of projected benefit obligation at the end of the year	80,938,366	66,460,010
Less: Fair value of plan assets at the end of the year	36,992,479	28,916,370
Net liability recognised in the Balance Sheet	<b>43,945,887</b>	<b>37,543,640</b>
<b>Components of net gratuity costs are</b>		
Current service cost	14,044,410	11,417,095
Interest cost	4,176,610	3,729,323
Recognised net actuarial Loss / (gain)	(641,038)	3,098,058
Expected return on plan assets	(2,335,078)	(2,079,946)
Net gratuity costs	<b>15,244,904</b>	<b>16,164,530</b>

<b>Experience history</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
	₹	₹	₹	₹	₹
Present value of obligation	80,938,366	66,460,010	55,177,695	50,738,804	44,195,137
Plan assets	36,992,479	28,916,370	25,797,512	19,568,834	18,852,292
Deficit	43,945,887	37,543,640	29,380,183	31,169,970	25,342,845
Experience adjustment on plan liabilities - gain/(loss)	2,220,400	(163,566)	3,571,512	3,878,320	(935,094)
Experience adjustment on plan assets - (loss)/gain	(523,526)	(199,089)	23,301	(29,656)	(599,963)



**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	6.20%	6.40%
Long-term rate of compensation increase	8% p.a.	8% p.a.
Average future service (years)	5.76 Years	5.77 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**

	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
	₹	₹
<b>Assumptions used</b>		
Discount rate	6.20%	6.40%
Long-term rate of compensation increase	8% p.a.	8% p.a.
Average future service (years)	5.76 Years	5.77 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 ₹ 16,225,350 (Previous year ₹ 5,721,077) towards unfunded compensated absences benefit plan based on the actuarial valuation carried out as at 31 March 2021.

**c) Defined contribution plan : Provident fund and other funds**

During the year, the Company contributed ₹ 35,808,019 (Previous year ₹ 31,111,483) to the Provident fund and other funds.

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
	₹	₹
<b>8 Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note (a) below)	-	-
Total outstanding dues of creditors other than micro and small enterprises*	17,092,937	22,451,987
Other accrued liabilities	37,141,866	15,465,151
<b>Total</b>	<b>54,234,803</b>	<b>37,917,138</b>

\* 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.

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
	₹	₹
<b>9 Other current liabilities</b>		
Current maturities of long term borrowings	1,958,694	718,004
Capital creditors	5,590,713	4,633,835
Accrued employee related payables	23,795,849	17,773,051
Statutory dues	21,297,890	25,072,480
Other payables	666,328	100,750
Advance from customers	1,667,669	2,736,975
<b>Total</b>	<b>54,977,143</b>	<b>51,035,095</b>



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

(Amount in ₹)

10 Property, plant and equipment and Intangible assets

Intangible assets

	Leasehold land	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Software
<b>Gross block</b>									
<b>Balance as at 1 April 2019</b>	<b>14,962,442</b>	<b>555,889,925</b>	<b>67,591,919</b>	<b>86,014,221</b>	<b>5,861,810</b>	<b>55,360,734</b>	<b>133,242,840</b>	<b>918,923,891</b>	<b>9,421,341</b>
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)	-
<b>Balance as at 31 March 2020</b>	<b>14,962,442</b>	<b>555,880,460</b>	<b>67,584,695</b>	<b>86,406,610</b>	<b>5,861,810</b>	<b>55,521,532</b>	<b>140,894,955</b>	<b>927,112,504</b>	<b>9,421,341</b>
Additions	-	-	-	-	-	258,799	21,961,345	22,220,144	-
Disposals	-	-	-	-	-	(19,990)	-	(19,990)	-
Restatement*	-	-	-	-	-	-	356,417	356,417	-
<b>Balance as at 31 March 2021</b>	<b>14,962,442</b>	<b>555,880,460</b>	<b>67,584,695</b>	<b>86,406,610</b>	<b>5,861,810</b>	<b>55,760,341</b>	<b>163,212,717</b>	<b>949,669,075</b>	<b>9,421,341</b>
<b>Accumulated depreciation and amortisation</b>									
<b>Balance as at 1 April 2019</b>	<b>1,459,680</b>	<b>75,212,359</b>	<b>22,328,538</b>	<b>42,647,050</b>	<b>1,398,542</b>	<b>42,365,539</b>	<b>116,831,384</b>	<b>302,243,092</b>	<b>9,421,341</b>
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)	-
<b>Balance as at 31 March 2020</b>	<b>1,617,180</b>	<b>92,926,805</b>	<b>26,764,949</b>	<b>50,982,842</b>	<b>1,978,762</b>	<b>48,982,119</b>	<b>127,734,020</b>	<b>350,986,677</b>	<b>9,421,341</b>
Depreciation and amortisation charge	157,500	17,654,588	4,426,678	8,300,076	579,035	5,227,497	11,509,964	47,855,338	-
Reversal on disposals	-	-	-	-	-	(18,515)	-	(18,515)	-
<b>Balance as at 31 March 2021</b>	<b>1,774,680</b>	<b>110,581,393</b>	<b>31,191,627</b>	<b>59,282,918</b>	<b>2,557,797</b>	<b>54,191,101</b>	<b>139,243,984</b>	<b>398,823,500</b>	<b>9,421,341</b>
<b>Net block</b>									
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	-
Balance as at 31 March 2021	13,187,762	445,299,067	36,393,068	27,123,692	3,304,013	1,569,240	23,968,733	550,845,575	-

\* 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 2021		As at 31 March 2020	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
<b>11 Loans and advances</b>				
Unsecured, considered good, unless otherwise stated				
Capital advances	37,147,915	-	37,147,915	-
Security deposits	1,669,726	-	1,669,726	-
Prepaid expenses	65,485	8,909,613	26,913	13,659,875
Advances to employees	-	-	-	1,993,854
Advance tax including tax deducted at source (net of provision for taxation)	26,882,393	-	32,954,156	-
MAT credit entitlement	143,190,814	-	146,617,369	-
Balances with statutory/ government authorities	27,945,384	-	27,860,132	-
Advance to suppliers	-	359,446	-	461,473
Loan to related party*	-	27,860,205	-	64,525,685
<b>Total</b>	<b>236,901,717</b>	<b>37,129,264</b>	<b>246,276,211</b>	<b>80,640,887</b>
* Refer Note 23				
			As at 31 March 2021	As at 31 March 2020
			₹	₹
<b>12 Trade receivables</b>				
Outstanding for a period more than six months from the date they are due for payment from related parties (refer note 23)			625,087,888	146,100,478
from others			-	198,729
Other receivables				
- Unsecured, considered good				
from related parties (refer note 23)			484,494,190	571,589,591
from others			45,399,113	75,967,995
<b>Total</b>			<b>1,154,981,191</b>	<b>793,856,793</b>
			As at 31 March 2021	As at 31 March 2020
			₹	₹
<b>13 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Balances with banks in current accounts			246,663,181	143,204,841
Deposits with original maturity less than 3 months			158,400,000	190,000,000
<b>Total</b>			<b>405,063,181</b>	<b>333,204,841</b>
			As at 31 March 2021	As at 31 March 2020
			₹	₹
<b>14 Other current assets</b>				
Unbilled revenue*			27,608,580	92,916,226
Other receivables*			475,198	1,538,425
<b>Total</b>			<b>28,083,778</b>	<b>94,454,651</b>
* 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**

	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
<b>(a) Contingent liabilities</b>		
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 (Refer note (ii) below)	31,853,933	29,950,942
Maharashtra value added tax (MVAT) assessments (Refer note (iii) below)	21,428,590	-
Income tax assessments (Refer note (iv) below)	55,514,753	-
<b>(i)</b> 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.		
<b>(ii)</b> In the previous year, the Company had 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.		
<b>(iii)</b> During the current year, the Company has received a demand notice from State Tax Officer at Pune in which they have disallowed the credit utilised on tax paid on intra-state purchases for FY 2015-16 and FY 2016-17 under Rule 54 of the Maharashtra Value Added Tax Act, 2005. The Company has filed an appeal with the Deputy Commissioner of State Tax for notice received for FY 2015-16 and has obtained a stay order against the said notice. Also, the Company is in the process of filing an appeal against the notice received for FY 2016-17. 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.		
<b>(iv)</b> During the current year, the Company has received a show cause notice under Section 143(3) of the Income Tax Act, 1961 in which the assessing officer has disallowed deductions claimed under section 10AA and has issued a demand notice under section 156 of the Income Tax Act, 1961 for AY 2018-19. The Company has preferred an appeal with the Commissioner of Income-Tax (Appeals) against the order of Assessing officer. 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 2021	Year ended 31 March 2020
	₹	₹
<b>16 Revenue from operations</b>		
Sale of services		
Export	1,072,037,041	1,099,698,654
Domestic	197,696,552	195,611,597
Reimbursement income	43,528,099	92,712,539
<b>Total</b>	<b>1,313,261,692</b>	<b>1,388,022,790</b>

	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
<b>17 Other income</b>		
Interest income on bank deposits	7,398,434	6,313,840
Interest income on Loan to Related Party (refer note 23)	3,852,740	4,525,685
Gain on foreign currency transactions and translations (net)	47,273,446	46,614,942
Gain on disposal of property, plant and equipment (net)	4,775	20,431
Other miscellaneous income	1,278,867	373,022
<b>Total</b>	<b>59,808,262</b>	<b>57,847,920</b>

	Year ended 31 March 2021	Year ended 31 March 2020
	₹	₹
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus (refer note 7(a) and 7(b))	790,570,625	717,501,875
Contribution to provident fund and other funds (refer note 7(c))	35,808,019	31,111,483
Staff welfare expenses	18,078,860	37,285,465
<b>Total</b>	<b>844,457,504</b>	<b>785,898,823</b>





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 2021 ₹	Year ended 31 March 2020 ₹
<b>19 Finance costs</b>		
Interest - Others	442,515	4,883,418
Bank charges	276,650	1,126,862
<b>Total</b>	<b>719,165</b>	<b>6,010,280</b>
	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
<b>20 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (refer note 10)	47,855,339	48,852,876
<b>Total</b>	<b>47,855,339</b>	<b>48,852,876</b>
	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
<b>21 Other expenses</b>		
Power	8,468,372	15,713,319
Rent	2,192,386	322,387
Rates and Taxes	321,436	321,434
Travel and conveyance	6,685,037	34,928,266
Recruitment and training expenses	2,793,041	1,925,094
Legal and professional fees	21,532,194	7,699,930
Sub-contractor charges	26,742,480	20,414,132
Payments to auditors (refer note 21(a) below)	977,000	879,000
Communication	8,957,081	4,537,826
Repairs and maintenance	12,186,623	9,240,344
Housekeeping charges	10,451,768	17,289,420
Annual maintenance charges for licenses	66,361,837	82,585,648
Expenditure towards Corporate Social Responsibility activities (refer note 29)	7,361,382	951,827
Miscellaneous expenses	2,502,550	4,133,345
<b>Total</b>	<b>177,533,187</b>	<b>200,941,972</b>
<b>(a) Auditors' remuneration (on accrual basis)</b>		
As auditor		
Statutory audit	975,000	871,000
Reimbursement of expenses	2,000	8,000
<b>Total</b>	<b>977,000</b>	<b>879,000</b>
<b>22 Earnings per equity share</b>		
<b>a) Net profit for the year for computation of</b>		
Basic and diluted earnings per share (₹)	257,351,554	331,711,616
<b>b) Weighted average number of outstanding equity shares for computation of</b>		
Basic and diluted earnings per share	114,755	114,755
<b>c) Nominal value of shares (₹)</b>	10	10
<b>d) Earnings per equity share</b>		
Basic and diluted (₹)	2,242.62	2,890.61



**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**

<b>Relationship</b>	<b>Name</b>
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 (Till 12 April 2021) Mr. Prasad Govind Satkar - Director (From 12 April 2021) 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 Assystems Technologies India Private Limited)  Expleo Romania Expleo Services SASU Expleo Engineering UK Expleo Group SAS Silver Atena GmbH Expleo Germany Gmbh Expleo Canada Expleo Technology Germany Gmbh Expleo Iberia

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>₹</b>	<b>₹</b>
<b>b) Transactions with related parties</b>		
<b>Sale of services (including unbilled revenue)</b>		
Expleo Technology Germany AG	-	328,965,035
Expleo Technologies USA Inc.	57,917,290	126,973,162
Expleo Technology UK Limited	213,142,793	285,852,973
Expleo Technology Ireland Limited	51,969,689	64,125,389
Expleo South Africa (Pty) Ltd.	6,780,065	22,620,655
Expleo Technology Switzerland AG	4,430,457	6,876,583
SQS Software Quality Systems Finland OY	1,261,296	3,711,894
Expleo Netherlands B.V.	22,376,152	16,639,896
Expleo Group Austria GmbH	55,664,421	91,153,958
Expleo Group Management Consulting Austria GmbH	-	828,941
Expleo Solutions Limited	6,366,488	16,265,039
Trissential LLC	-	4,680,548
SQS North America, LLC	-	10,806,306
Expleo Technologies India Private Limited	14,100,898	13,725,451
Expleo Germany GmbH	1,027,190	-
Silver Atena GmbH	5,342,392	-
Expleo France	58,110,237	6,603,965
Expleo Technology Germany GmbH	405,313,355	4,372,581
<b>Total</b>	<b>903,802,723</b>	<b>1,004,202,376</b>



**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 2021	Year ended 31 March 2020
	₹	₹
<b>Reimbursement income and reimbursement of expenses receivable/received by the Company (gross)</b>		
Expleo Technology Germany AG	11,096,317	18,848,562
Expleo Technologies USA Inc.	1,691,308	4,696,707
Expleo Technology UK Limited	6,786,327	19,100,020
Expleo Technology Ireland Limited	4,205,858	10,284,657
Expleo South Africa (Pty) Ltd.	-	792,244
Expleo Technology Egypt	1,730,698	2,665,045
Expleo Netherlands B.V.	1,019,314	5,481,643
Expleo Group Austria GmbH	2,881,300	3,036,867
SQS Software Quality Systems France SASU	-	2,370,133
Expleo Solutions Limited	1,435,447	3,923,947
SQS North America, LLC	-	394,862
Trissential LLC	-	3,198,960
Expleo Service SASU	-	2,752,000
Expleo Technologies India Private Limited	291,087	293,371
Expleo South Africa Holding (Pty) Ltd.	2,812,342	5,602,468
Expleo Canada	95,141	-
Expleo Iberia	155,863	-
Expleo France	5,955,436	-
Expleo Germany GmbH	552,338	-
Expleo Romania	645,127	64,120
Expleo Nordic AB	-	858,784
Silver Atena GmbH	215,001	-
Expleo Italia S.p.A.	-	1,945,650
Expleo Group Management Consulting Austria GmbH	36,594	839,459
Expleo Technology Germany GMBH	-	5,106,668
Expleo Technology Switzerland AG	252,883	367,863
Expleo Consulting Germany GmbH	17,120	51,361
Expleo Engineering UK	1,861,730	37,148
<b>Total</b>	<b>43,737,231</b>	<b>92,712,539</b>
<b>Interest Income</b>		
Expleo Technologies India Private Limited	3,852,740	4,525,685
<b>Loan Given</b>		
Expleo Technologies India Private Limited	-	90,000,000
<b>Loan Repayment</b>		
Expleo Technologies India Private Limited	40,000,000	30,000,000
<b>Legal and professional fees</b>		
Expleo Solutions Limited	1,403,893	2,808,102
Expleo Technologies India Private Limited	8,535,744	-
Expleo Technology UK Limited	232,210	1,943,858
<b>Total</b>	<b>10,171,847</b>	<b>4,751,960</b>
<b>Reimbursement of expenses payable/ paid by the Company (gross)</b>		
Expleo Technologies USA Inc	-	73,330
Expleo Technology UK Limited	18,389,197	7,084,277
Expleo Solutions Limited	42,373	153,000
Expleo Technology Germany AG	-	-
Expleo Netherlands B.V.	262,842	-
Expleo Engineering UK Limited	88,635	-
Expleo South Africa (Pty) Ltd.	4,175,474	1,208,892
Expleo Technology Ireland Limited	1,410,073	403,940
Expleo Services SASU	1,070,592	2,375,913
Expleo France SASU	24,982,095	-
Expleo Technologies India Private Limited	-	91,434
SQS North America LLC	-	28,299
Expleo Group SASU	217,008	115,944
Expleo Technology Germany GmbH	20,595,977	4,657,557
<b>Total</b>	<b>71,234,266</b>	<b>16,192,586</b>
<b>Salary and perquisites* and contribution to provident fund**</b>		
Prashant Bramhankar	14,639,335	13,195,491
Abhijit Atre	10,468,532	9,985,764
<b>Total</b>	<b>25,107,867</b>	<b>23,181,255</b>

\*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.



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 2021 ₹	As at 31 March 2020 ₹
<b>c) Balances with related parties</b>		
<b>Trade balances due to</b>		
Expleo Technology UK Limited	-	4,795,232
Expleo Technology Germany AG	-	6,624,798
Expleo Solutions Limited	17,772	677,888
Expleo Services SASU	-	851,732
Expleo South Africa (Pty) Ltd.	-	835,114
Expelo Group SASU	-	121,990
Expleo Technologies India Private Limited	7,301,470	102,600
Expleo France	3,449,754	2,041,827
Expleo Technologies USA Inc	-	77,830
Expleo Ireland	-	339,690
<b>Total</b>	<b>10,768,996</b>	<b>16,468,701</b>
<b>Trade balances due from (including unbilled revenue)</b>		
Expleo Technology Germany AG	741,886,429	360,241,837
Expleo Technology UK Limited	75,478,766	180,196,172
Expleo Technologies USA Inc.	138,047,108	176,671,941
Expleo Technology Egypt	2,296,923	448,702
Expleo Canada	97,938	-
Silver Alena GmbH	314,858	-
Expleo Technology Switzerland AG	3,842,107	1,005,393
Expleo Technology Ireland Limited	15,525,078	23,951,422
Expleo Group Austria GmbH	74,277,320	13,450,959
Expleo Netherlands B.V.	30,209,504	8,545,579
SQS Software Quality Systems Finland OY	-	554,425
Expleo South Africa (Pty) Ltd.	2,606,555	4,046,040
Expleo Germany GmbH	1,527,814	-
Expleo Solutions Limited	2,436,311	6,811,769
SQS North America, LLC	-	8,516,783
Expleo France	9,703,355	890,433
Expleo Technologies India Private Limited	4,944,960	12,777,209
Expleo Romania	745,160	269,604
Expleo Services France SASU	-	1,663,098
Expleo Consulting Germany GmbH	-	215,960
Expleo Engineering UK	240,604	156,197
Expleo Italia S.p.A.	1,499,139	2,035,283
Expleo South Africa Holding (Pty) Ltd.	3,902,149	916,075
<b>Total</b>	<b>1,109,582,078</b>	<b>803,364,881</b>
<b>Loan Receivable (Inclusive of Interest Accrued)</b>		
Expleo Technologies India Private Limited	27,860,205	64,525,685
	<b>27,860,205</b>	<b>64,525,685</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
	₹	₹
<b>24 Value of imports on CIF basis</b>		
Property, plant and equipment	23,119,479	5,870,781
<b>Total</b>	<b>23,119,479</b>	<b>5,870,781</b>
<b>25 Earnings in foreign currency (accrual basis)</b>		
Value of services exported	1,072,037,041	1,099,698,654
Reimbursement income	41,869,194	88,495,221
<b>Total</b>	<b>1,113,906,235</b>	<b>1,188,193,875</b>



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

**26 Segment reporting**

Disclosures pursuant to Accounting Standard 17, 'Segment reporting'

**a. Primary segment (Business segment)**

The Company is primarily engaged in the business of software testing. 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.

**b. Secondary segment (Geographical segments - by location of customers)**

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present revenue and certain asset information regarding the company's geographical segments:

	<b>Within India Year ended 31 March 2021</b>	<b>Outside India Year ended 31 March 2021</b>	<b>Total Year ended 31 March 2021</b>
Revenue from operations, net (by location of customers)	199,423,085	1,113,838,607	1,313,261,692
Carrying amount of segment assets (by location of assets)	1,164,188,542	1,102,200,807	2,266,389,349
Cost incurred on acquisition of property, plant and equipment and intangible assets (by location of assets)	22,220,144	-	22,220,144

	<b>Within India Year ended 31 March 2020</b>	<b>Outside India Year ended 31 March 2020</b>	<b>Total Year ended 31 March 2020</b>
Revenue from operations, net (by location of customers)	200,018,202	1,188,004,588	1,388,022,790
Carrying amount of segment assets (by location of assets)	1,148,004,152	783,775,903	1,931,780,055
Cost incurred on acquisition of property, plant and equipment and intangible assets (by location of assets)	8,400,363	-	8,400,363



**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 2021 ₹	Year ended 31 March 2020 ₹
<b>27 Expenditure in foreign currency (accrual basis)</b>		
Travelling expenses	-	140,832
Communication expense	5,838,877	-
Reimbursement of expenses	-	14,328,273
Professional fees	653,577	1,943,858
Repairs and maintenance	1,983,623	-
Salaries, wages and bonus	7,835,665	9,957,232
Annual maintenance charges for licenses	60,064,232	-
Miscellaneous expenses	217,008	-
<b>Total</b>	<b>76,592,982</b>	<b>26,370,195</b>

**28 Unhedged foreign currency exposure as at the reporting date**

Currency	Foreign currency amount		Exchange rate		Balance as on (₹)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Receivable</b>						
USD	2,088,033	2,941,936	73.1881	75.3859	152,819,199	221,780,503
GBP	756,271	1,922,807	100.7088	93.0760	76,163,098	178,967,184
EURO	10,560,081	5,033,113	85.8130	83.0496	906,192,240	417,998,017
ZAR	551,399	981,528	4.9465	4.1735	2,727,494	4,096,407
<b>Payable</b>						
GBP	-	51,275	100.7088	93.0760	-	4,772,491
EURO	51,127	123,764	85.8130	83.0496	4,387,400	10,278,519
USD	76,600	66,029	73.1881	75.3859	5,606,208	4,977,626
ZAR	-	197,545	4.9465	4.1735	-	824,453
<b>Bank balances</b>						
USD	957,829	123,336	73.1881	75.3859	70,101,703	9,297,832
GBP	778,044	334,571	100.7088	93.0760	78,355,911	31,140,530
EURO	387,314	-	85.8130	83.0496	33,236,575	-
CHF	200	200	77.5185	78.4650	15,504	15,693
ZAR	-	250,080	4.9465	4.1735	-	1,043,709

**29 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 2021	Year ended 31 March 2020
	Average net profit of the Company for the last three financial years	368,069,124
Prescribed CSR expenditure (2% of the average net profit as computed above)	7,361,382	6,713,652
<b>Details of CSR expenditure during the financial year:</b>		
Total amount to be spent for the financial year	7,361,382	6,713,652
Amount spent	1,314,000	951,827
Amount unspent	6,047,382	5,761,825



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

- 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 2021 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** The Capital work in progress represents new office building under construction. The work on the office building is in advanced stage but was temporarily suspended due to onset of Covid pandemic. However, considering the improvement in pandemic situation and business growth plans, the Company has decided to complete the pending activities and use the office facility for business purposes.
- 33** During the current year, the Company has received Show Cause Notice (SCN) from the Joint Commissioner of Central Goods and Service Tax Commissionerate alleging short payment of service tax aggregating ₹ 647,244,944 due to lower declaration of value of services rendered in Service tax return. The Company, based on the legal advice, believes that the claim of the department is not tenable and has remote possibility of being decided against the Company. Accordingly, no contingent liability has been considered necessary in above matter.
- 34 Previous year figures**  
Previous year figures have been regrouped/ reclassified, wherever required, to conform to current year classification.

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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



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797

Place: Pune  
Date : 25 June 2021



For and on behalf of Board of directors of  
**Expleo India Infosystems Private Limited**  
CIN : U72200PN2003PTC018619

**PRASAD  
GOVIND  
SATKAR** Digitally signed  
by PRASAD  
GOVIND  
SATKAR

**Prasad Satkar**  
Director  
DIN: 09137671

Place: Pune  
Date : 25 June 2021

**PRASHANT  
EKNATH  
BRAMHANKAR** Digitally signed  
by PRASHANT  
EKNATH  
BRAMHANKAR

**Prashant Bramhankar**  
Director  
DIN: 07439819

Place: Pune  
Date : 25 June 2021