

Walker Chandniok & Co LLP

Financial Statements and Independent Auditors'  
Report

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

31 March 2019

# 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 2019, 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 2019, and its profit and its cash flows for the year ended on that date.

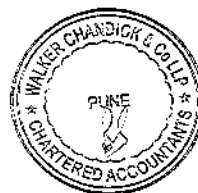
#### Basis for Opinion

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 (Formerly known as 'SQS 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

5. 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.



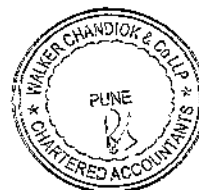
**Expleo India Infosystems Private Limited (Formerly known as 'SQS India Infosystems Private Limited')**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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- 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 system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with the management 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. 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, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the 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 2019 from being appointed as a director in terms of section 164(2) of the Act;



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

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- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 September 2019 as per Annexure B expressed unmodified opinion;
- 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 does not have any pending litigation which would impact its financial position as at 31 March 2019;
  - 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 2019.;
  - 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 2019;
  - 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



**Bharat Shetty**  
Partner  
Membership No.: 106815



**UDIN No:19106815AAAABW9529**

**Place: Pune**  
**Date: 26 September 2019**

**Expleo India Infosystems Private Limited (Formerly known as 'SQS 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 2019**

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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (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.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.



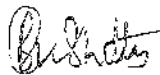
**Expleo India Infosystems Private Limited (Formerly known as 'SQS India Infosystems Private Limited')**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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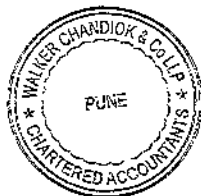
**Annexure A (Contd)**

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



**Bharat Shetty**  
Partner  
Membership No.: 106815



**UDIN No:19106815AAAABW9529**

Place: Pune  
Date: 26 September 2019

**Expleo India Infosystems Private Limited (Formerly known as 'SQS 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 2019**

**Independent Auditor's Report on the Internal Financial Controls 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 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

**Management's Responsibility for Internal Financial Controls**

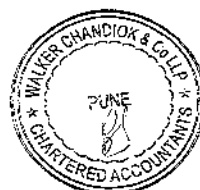
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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**

3. Our responsibility is to express an opinion on the Company's IFCoFR 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') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly





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

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**Annexure B (Contd)**

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 over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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



**Bharat Shetty**  
Partner  
Membership No.: 106815



**UDIN No:19106815AAAABW9529**

Place: Pune  
Date: 26 September 2019

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

	Notes	As at 31 March 2019 ₹	As at 31 March 2018 ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,147,550	1,147,550
Reserves and surplus	4	1,656,235,216	1,382,361,184
		<u>1,657,382,766</u>	<u>1,383,508,734</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	2,676,697	70,856,832
Deferred tax liabilities (net)	6	11,387,696	13,674,837
Long-term provisions	7	26,185,120	26,020,001
		<u>40,249,513</u>	<u>110,551,670</u>
<b>Current liabilities</b>			
Trade payables - total outstanding dues of micro, small and medium enterprises	8	-	-
Trade payables - total outstanding dues of creditors other than micro, small and medium enterprises	8	53,776,940	26,618,202
Other current liabilities	9	49,791,045	82,050,756
Short-term provisions	7	35,912,768	41,860,509
		<u>139,480,753</u>	<u>150,529,467</u>
<b>Total</b>		<u><b>1,837,113,032</b></u>	<u><b>1,644,589,871</b></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	616,680,799	654,602,691
Intangible assets	10	-	-
Capital work-in-progress		51,318,055	51,318,055
Long-term loans and advances	11	224,981,393	203,982,012
		<u>892,980,247</u>	<u>909,902,758</u>
<b>Current assets</b>			
Trade receivables	12	840,436,321	566,561,975
Cash and bank balances	13	68,931,555	55,287,413
Short-term loans and advances	11	15,409,520	12,434,170
Other current assets	14	19,355,389	100,403,555
		<u>944,132,785</u>	<u>734,687,113</u>
<b>Total</b>		<u><b>1,837,113,032</b></u>	<u><b>1,644,589,871</b></u>

The accompanying notes 1 to 31 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

  
**Bharat Shetty**  
Partner  
Membership No.: 106815

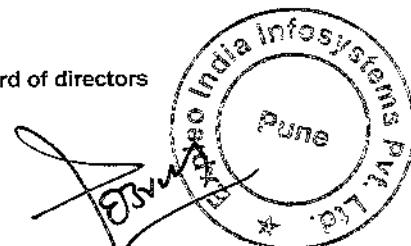



Place: Pune  
Date: 26 September 2019

For and on behalf of Board of directors

  
**Abhijit Atre**  
Director  
DIN: 03338158

Place: Pune  
Date: 26 September 2019



  
**Prashant Bramhankar**  
Director  
DIN: 07439819

Place: Pune  
Date: 26 September 2019

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

	Notes	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
<b>Revenue</b>			
Revenue from operations	16	1,274,229,316	1,248,935,297
Other income	17	59,492,523	74,135,073
<b>Total revenue</b>		<b>1,333,721,839</b>	<b>1,323,070,370</b>
<b>Expenses</b>			
Employee benefits expense	18	754,117,100	734,178,903
Finance costs	19	5,240,299	8,252,349
Depreciation and amortisation expense	20	51,934,191	49,752,892
Other expenses	21	187,181,430	166,094,433
<b>Total expenses</b>		<b>998,473,020</b>	<b>958,278,577</b>
<b>Profit before tax</b>		<b>335,248,819</b>	<b>364,791,793</b>
<b>Tax expense</b>			
Current tax		72,361,080	77,835,620
MAT credit entitlement		(8,699,152)	(9,708,920)
Deferred tax (credit) / charge		(2,287,141)	8,780,352
		<b>61,374,787</b>	<b>76,907,052</b>
<b>Net Profit</b>		<b>273,874,032</b>	<b>287,884,741</b>
<b>Earnings per equity share</b>			
Basic and diluted	22	2,386.60	2,508.69

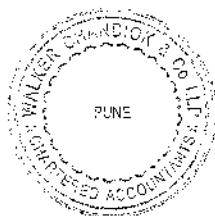
The accompanying notes 1 to 31 form an integral part of these financial statements

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

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



Bharat Shetty  
Partner  
Membership No.: 106815



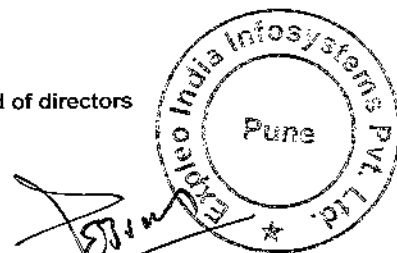
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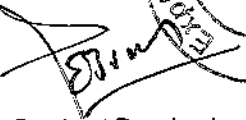
For and on behalf of Board of directors



Abhijit Atre  
Director  
DIN: 03338158

Place: Pune  
Date: 26 September 2019



  
Prashant Bramhankar  
Director  
DIN: 07439819

Place: Pune  
Date: 26 September 2019

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

	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>335,248,819</b>	<b>364,791,793</b>
Non-cash adjustments to reconcile profit before tax to net cash flow from operating activities		
Depreciation and amortisation expense	51,934,191	49,752,892
(Gain) on sale of property, plant and equipment (net)	(475,281)	(31,120)
Unrealised (gain) on foreign currency transactions and translations	(9,173,071)	(33,959,010)
Interest income	(1,736,001)	(739,748)
Finance costs	5,240,299	8,252,349
<b>Operating profit before working capital changes</b>	<b>381,038,956</b>	<b>388,067,156</b>
Movements in working capital:		
(Increase) in trade receivables	(264,701,275)	(226,263,963)
Decrease in other current assets	81,048,166	11,795,623
Decrease / (Increase) in long-term loans and advances	4,176,070	(2,700,722)
(Increase) / Decrease in short-term loans and advances	(2,975,350)	2,775,372
Increase in trade payables	27,158,738	4,968,711
Increase in other current liabilities	14,105,567	99,926
(Decrease) / Increase in long-term and short-term provisions	(1,097,126)	11,517,004
<b>Cash generated from operations</b>	<b>238,753,746</b>	<b>190,259,107</b>
Direct taxes paid (net of refunds)	(93,522,874)	(74,830,933)
<b>Net cash generated from operating activities (A)</b>	<b>145,230,872</b>	<b>115,428,174</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress	(14,125,287)	(26,830,620)
Proceeds from sale of property, plant and equipment	546,819	81,500
Interest received on bank deposits	1,736,001	739,748
<b>Net cash used in investing activities (B)</b>	<b>(11,842,467)</b>	<b>(26,009,372)</b>
<b>Cash flows from financing activities</b>		
Finance costs paid	(6,604,103)	(8,585,527)
Proceeds of long-term borrowings	-	4,344,241
Repayment of long-term borrowings	(113,140,160)	(40,667,401)
<b>Net cash used in financing activities (C)</b>	<b>(119,744,263)</b>	<b>(44,908,687)</b>
<b>Effect of exchange differences on translation of foreign currency cash and cash equivalents (D)</b>	<b>-</b>	<b>497,419</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>13,644,142</b>	<b>45,007,534</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>55,287,413</b>	<b>10,279,879</b>
<b>Cash and cash equivalents at the end of the year (refer Note 13)</b>	<b>68,931,555</b>	<b>55,287,413</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	31,731,555	55,287,413
Deposits with original maturity less than 3 months	37,200,000	-
<b>Cash and cash equivalents as per books (refer Note 13)</b>	<b>68,931,555</b>	<b>55,287,413</b>

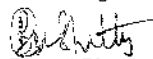
The accompanying notes 1 to 31 form an integral part of these financial statements

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
**Bharat Shetty**

Partner

Membership No.: 106815

Place: Pune

Date: 26 September 2019



For and on behalf of Board of directors

  
**Abhijit Atre**

Director

DIN: 03338158

Place: Pune

Date: 26 September 2019

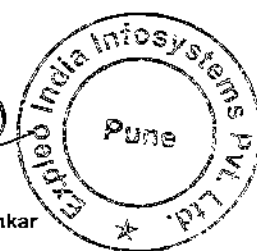
  
**Prashant Bramhankar**

Director

DIN: 07439819

Place: Pune

Date: 26 September 2019



**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 deposits, 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 assets, 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.

- 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.



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

**Summary of significant accounting policies and other explanatory information**

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.

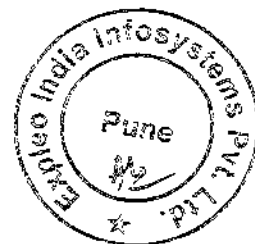
Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company.

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 2019		As at 31 March 2018	
	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**

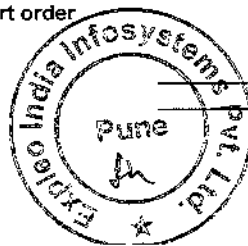
	Number	% holding in the class	Number	% holding in the class
<b>Equity shares of ₹ 10 each</b>				
Expleo Technology Germany AG (Formerly known as 'SQS Software Quality Systems AG')	114,754	99.99%	114,754	99.99%

**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.

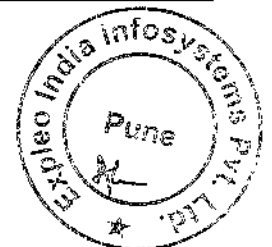
e) During the year, the Company has not issued any shares to shareholders. Further, in five years immediately preceding the date of the Balance Sheet, no shares have been issued pursuant to contracts without payment being received in cash or as bonus shares and no shares have been bought back by the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

	As at	As at
	31 March 2019 ₹	31 March 2018 ₹
<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 2019	As at 31 March 2018
	₹	₹
<b>4 Reserves and surplus</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	1,369,326,506	1,081,441,765
Add: Profit for the year	273,874,032	287,884,741
<b>Balance at the end of the year</b>	<u>1,643,200,538</u>	<u>1,369,326,506</u>
<b>Total (a+b+c+d)</b>	<u><u>1,656,235,216</u></u>	<u><u>1,382,361,184</u></u>
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
Indian rupee loan from financial institution#	2,676,697	3,331,305
<b>Unsecured</b>		
External commercial borrowing (ECB) from related party	-	67,525,527
<b>Total</b>	<u><u>2,676,697</u></u>	<u><u>70,856,832</u></u>
<p># 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.</p>		
<b>6 Deferred tax liabilities (net)</b>		
<b>Deferred tax liability on</b>		
Depreciation/ amortisation on Property, plant and equipment and intangible asset	29,470,601	35,661,998
<b>Total</b>	<u><u>29,470,601</u></u>	<u><u>35,661,998</u></u>
<b>Deferred tax assets on</b>		
Expenditure charged to the Statement of Profit and Loss in the current year; allowed for tax purposes on payment basis under Section 43B of the Income-tax Act, 1961	18,082,905	21,987,161
<b>Total</b>	<u><u>18,082,905</u></u>	<u><u>21,987,161</u></u>
<b>Deferred tax liabilities (net)</b>	<u><u>11,387,696</u></u>	<u><u>13,674,837</u></u>



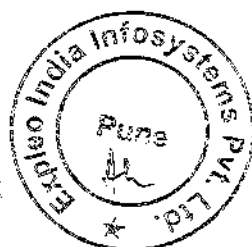
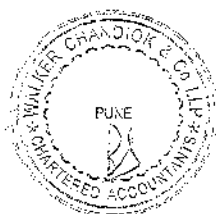
Expleo India Infosystems Private Limited  
(Formerly known as 'SQS India Infosystems Private Limited')  
Summary of significant accounting policies and other explanatory information

	As at 31 March 2019		As at 31 March 2018	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
<b>7 Provisions</b>				
Provision for gratuity (refer note 7(a))	-	29,380,183	-	31,169,970
Provision for compensated absences (refer note 7(b))	26,185,120	6,532,585	26,020,001	6,005,043
Provision for income tax, net of advance tax	-	-	-	4,685,496
<b>Total</b>	<b>26,185,120</b>	<b>35,912,768</b>	<b>26,020,001</b>	<b>41,860,509</b>

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 2019	Year ended 31 March 2018
	₹	₹
<b>Change in Present value of the defined benefit obligation</b>		
Present value of the defined benefit obligation at the beginning of the year	50,738,804	44,239,437
Interest cost	3,704,976	2,895,242
Past service cost	-	594,022
Current service cost	12,099,212	12,575,407
Actuarial gain	(7,387,066)	(6,329,213)
Benefits paid	(3,978,231)	(3,236,091)
Present value of the defined benefit obligation at the end of the year	<b>55,177,695</b>	<b>50,738,804</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	19,568,834	18,852,292
Expected return on plan assets	1,722,218	1,498,740
Employer contributions	9,000,000	3,000,000
Benefits paid	(3,978,231)	(3,236,091)
Actuarial loss	(23,301)	(76,491)
Charges	(492,008)	(469,616)
Fair value of plan assets at the end of the year	<b>25,797,512</b>	<b>19,568,834</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	55,177,695	50,738,804
Less: Fair value of plan assets at the end of the year	25,797,512	19,568,834
Net liability recognised in the Balance Sheet	<b>29,380,183</b>	<b>31,169,970</b>
<b>Present value of the net defined benefit obligation at the end of the year</b>		
Long-term	-	-
Short-term	29,380,183	31,169,970
<b>Total</b>	<b>29,380,183</b>	<b>31,169,970</b>
<b>Components of net gratuity costs are</b>		
Current service cost	12,099,212	12,575,407
Past service cost	-	594,022
Interest cost	3,704,976	2,895,242
Recognised net actuarial gain	(7,363,765)	(6,252,722)
Charges	-	469,616
Expected return on plan assets	(1,722,218)	(1,498,740)
<b>Net gratuity costs</b>	<b>6,718,205</b>	<b>8,782,825</b>



**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	7.20%	7.60%
Long-term rate of compensation increase	8% p.a.	10% p.a.
Average future service (years)	5.78 Years	5.77 Years
Withdrawal rate	17.00%	17.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**b) Compensated absences**

Assumptions used	Year ended	Year ended
	31 March 2019	31 March 2018
	₹	₹
Discount rate	7.20%	7.60%
Long-term rate of compensation increase	8% p.a.	10% p.a.
Average future service (years)	5.78 Years	5.77 Years
Withdrawal rate	17.00%	17.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The Company assesses these assumptions in terms of the prevalent industry standards and its long-term plans. During the year, the Company has provided for ₹ 5,362,153 (Previous year ₹ 10,081,967) towards unfunded compensated absences benefit plan based on the actuarial valuation carried out as at 31 March 2019.

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

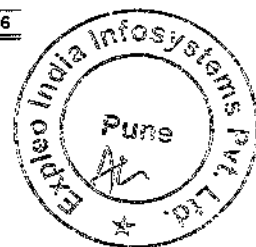
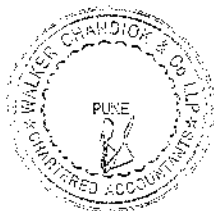
During the year, the Company contributed ₹ 29,877,092 (Previous year ₹ 30,613,543) to the Provident fund and other funds.

8 Trade payables	As at	As at
	31 March 2019	31 March 2018
	₹	₹
Total outstanding dues of micro, small and medium enterprises (refer note (a) below)	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	37,617,541	11,794,409
Other accrued liabilities	16,159,399	14,823,793
<b>Total</b>	<b>53,776,940</b>	<b>26,618,202</b>

(a) Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium 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 debt (ECB)	-	45,017,824
Current maturities of long term debt (others)	654,610	596,810
Interest accrued but not due on ECB	-	1,363,804
Dues for capital goods	-	41,450
Accrued employee related payables	25,858,958	17,607,089
Statutory dues	20,490,187	17,057,837
Other payables	13,600	365,942
Advance from customers	2,773,890	-
<b>Total</b>	<b>49,791,045</b>	<b>82,050,756</b>



Exploio 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

	Property, plant and equipment						Total	Intangible assets
	Leasehold land	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment		
<b>Gross block</b>								
Balance as at 1 April 2017	14,962,442	537,812,706	65,225,441	83,181,445	1,376,360	51,459,939	126,064,627	880,082,960
Additions	-	6,018,626	-	297,000	4,485,450	4,422,702	7,996,096	23,219,874
Disposals	-	-	-	-	-	(154,285)	-	(154,285)
Restatement*	-	12,021,791	2,359,254	2,485,840	-	-	-	16,866,885
<b>Balance as at 31 March 2018</b>	<b>14,962,442</b>	<b>555,853,123</b>	<b>67,584,695</b>	<b>85,964,285</b>	<b>5,861,810</b>	<b>55,728,356</b>	<b>134,060,723</b>	<b>920,015,434</b>
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
<b>Balance as at 31 March 2019</b>	<b>14,962,442</b>	<b>555,899,925</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>Accumulated depreciation and amortisation</b>								
Balance as at 1 April 2017	1,144,880	40,831,675	13,664,711	26,207,580	300,004	27,346,906	106,268,200	215,763,756
Depreciation and amortisation charge	157,500	16,695,107	4,238,279	7,951,657	519,692	8,064,797	12,125,860	49,752,892
Reversal on disposals	-	-	-	-	-	(103,905)	-	(103,905)
<b>Balance as at 31 March 2018</b>	<b>1,302,380</b>	<b>57,526,782</b>	<b>17,902,990</b>	<b>34,159,237</b>	<b>819,696</b>	<b>35,307,798</b>	<b>118,394,060</b>	<b>265,412,743</b>
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)
<b>Balance as at 31 March 2019</b>	<b>1,459,880</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>Net block</b>								
Balance as at 31 March 2018	13,660,262	498,326,341	49,681,705	51,805,048	5,042,114	20,420,558	15,666,663	654,602,691
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

\* 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

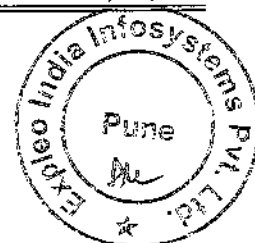
	As at 31 March 2019		As at 31 March 2018	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
<b>11 Loans and advances</b>				
Unsecured, considered good, unless otherwise stated				
Capital advances	25,640,915	-	25,640,915	-
Security deposits	1,694,726	-	1,625,726	-
Prepaid expenses	926,235	8,781,815	2,254,246	9,059,734
Advances to employees	-	5,603,569	-	3,374,436
Advance tax including tax deducted at source (net of provision for taxation)	19,497,817	-	3,021,519	-
MAT credit entitlement	149,606,486	-	140,907,334	-
Balances with statutory/government authorities	27,615,214	-	30,532,272	-
Advance to suppliers	-	1,024,136	-	-
<b>Total</b>	<b>224,981,393</b>	<b>15,409,520</b>	<b>203,982,012</b>	<b>12,434,170</b>

	As at	As at
	31 March 2019	31 March 2018
	₹	₹
<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(c))	76,662,055	105,114,847
from others	-	-
Other receivables		
- Unsecured, considered good		
from related parties (refer note 23(c))	694,924,009	420,613,018
from others	68,850,257	40,834,110
<b>Total</b>	<b>840,436,321</b>	<b>566,561,975</b>

**13 Cash and bank balances**

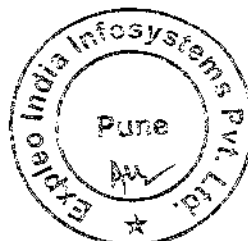
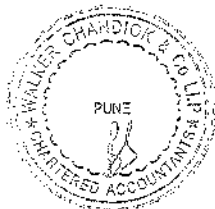
**Cash and cash equivalents**

Balances with banks in current accounts	31,731,555	55,287,413
Deposits with original maturity less than 3 months	37,200,000	-
<b>Total</b>	<b>68,931,555</b>	<b>55,287,413</b>



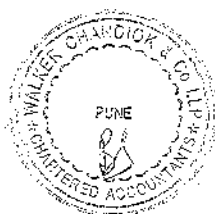
Expleo India Infosystems Private Limited  
(Formerly known as 'SQS India Infosystems Private Limited')  
Summary of significant accounting policies and other explanatory information

	As at 31 March 2019 ₹	As at 31 March 2018 ₹
<b>14 Other current assets</b>		
Unbilled revenue	14,209,910	96,663,746
Other receivables	5,145,479	3,739,809
<b>Total</b>	<b>19,355,389</b>	<b>100,403,555</b>
<b>15 Contingent liabilities</b>		
<b>(a) Contingent liabilities</b>		
Provident fund (Refer note (i) below)	Amount not determinable	-
<p>(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 &amp; 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.</p>		
	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
<b>16 Revenue from operations</b>		
Sale of services		
Export	1,041,001,292	1,056,687,461
Domestic	160,453,527	124,370,523
Reimbursement income	72,774,497	67,877,313
<b>Total</b>	<b>1,274,229,316</b>	<b>1,248,935,297</b>
<b>17 Other income</b>		
Interest income on bank deposits	1,736,001	739,748
Gain on foreign currency transactions and translations (net)	7,468,739	73,294,072
Gain on disposal of property, plant and equipment (net)	475,281	31,120
Scrip Sales	47,033,406	-
Liabilities / provisions written back to the extent no longer required	2,200,000	-
Other miscellaneous income	579,096	70,133
<b>Total</b>	<b>59,492,523</b>	<b>74,135,073</b>
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus (refer note 7(a) and 7(b))	692,078,190	674,092,054
Contribution to provident fund and other funds (refer note 7(c))	29,877,092	30,613,543
Staff welfare expenses	32,161,818	29,473,306
<b>Total</b>	<b>754,117,100</b>	<b>734,178,903</b>
<b>19 Finance costs</b>		
Interest on ECB	3,550,721	6,793,429
Bank charges	797,560	910,825
Other finance costs	892,018	548,095
<b>Total</b>	<b>5,240,299</b>	<b>8,252,349</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 2019	Year ended 31 March 2018
	₹	₹
<b>20 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (refer note 10)	51,934,191	49,752,892
<b>Total</b>	<b>51,934,191</b>	<b>49,752,892</b>
<b>21 Other expenses</b>		
Power	15,668,129	14,409,566
Rates and Taxes	247,166	247,166
Travel and conveyance	45,127,145	52,595,321
Recruitment and training expenses	15,521,825	11,014,309
Marketing and advertisement	2,454,409	452,625
Legal and professional fees	34,381,043	27,080,599
Payments to auditors (refer note 21(a) below)	837,500	1,288,779
Communication	5,593,411	6,961,485
Repairs and maintenance	6,954,159	6,161,103
Housekeeping charges	17,241,245	19,347,152
Annual maintenance charges for licenses	36,873,978	22,086,469
Expenditure towards Corporate Social Responsibility activities (refer note 28)	276,171	112,700
Miscellaneous expenses	6,005,249	4,337,159
<b>Total</b>	<b>187,181,430</b>	<b>166,094,433</b>
<b>(a) Auditors' remuneration (on accrual basis)</b>		
As auditor		
Statutory audit	829,500	790,000
In other capacity		
Review under IFRS for consolidation purposes	-	490,000
Reimbursement of expenses	8,000	8,779
<b>Total</b>	<b>837,500</b>	<b>1,288,779</b>
<b>22 Earnings per equity share</b>		
a) Net profit for the year for computation of Basic and diluted earnings per share (₹)	273,874,032	287,884,741
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 (₹)	2,386.60	2,508.69





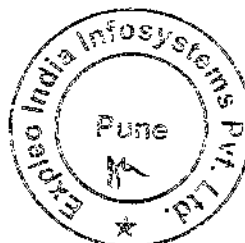
**Expleo India Infosystems Private Limited**  
**(Formerly known as 'SQS India Infosystems Private Limited')**  
**Summary of significant accounting policies and other explanatory information**

**23 Related party disclosures**

**a) Names of related parties**

Relationship	Name
Ultimate Holding Company	Expleo France (Formerly known as Assyetems 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
Fellow subsidiary companies with whom transactions have taken place	Expleo Technology UK Limited (Formerly Known as SQS Group Limited,UK) SQS 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 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)

	Year ended 31 March 2019	Year ended 31 March 2018
	₹	₹
<b>b) Transactions with related parties</b>		
<b>Sale of services (including unbilled revenue)</b>		
Expleo Technology Germany AG	294,858,131	295,881,630
SQS USA Inc.	147,642,595	168,234,676
Expleo Technology UK Limited	260,502,424	287,915,865
Expleo Technology Ireland Limited	81,953,873	92,650,917
Expleo South Africa (Pty) Ltd.	17,319,044	5,460,964
Expleo Technology Switzerland AG	6,206,218	3,488,637
SQS Software Quality Systems Finland OY	3,168,492	4,005,983
Expleo Netherlands B.V.	6,795,631	7,299,267
Expleo Group Austria GmbH	111,889,766	116,777,821
Expleo Group Management Consulting Austria GmbH	2,105,312	534,754
Expleo Solutions Limited	9,807,767	13,118,264
Trissential LLC	11,554,523	11,044,738
SQS North America, LLC	6,548,055	8,522,715
Expleo technologies India Private Limited	344,736	-
Expleo France	19,584,367	-
<b>Total</b>	<b>980,280,934</b>	<b>1,014,936,231</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 2019	Year ended 31 March 2018
	₹	₹
<b>Reimbursement income and reimbursement of expenses receivable/received by the Company (gross)</b>		
Expleo Technology Germany AG	90,530,238	95,045,271
SQS USA Inc.	1,933,395	2,958,787
Expleo Technology UK Limited	10,692,784	7,503,058
Expleo Technology Ireland Limited	3,873,657	1,843,150
Expleo South Africa (Pty) Ltd.	1,026,057	133,034
Expleo Technology Egypt	51,361	-
Expleo Netherlands B.V.	687,982	2,549,287
Expleo Group Austria GmbH	5,547,602	798,468
SQS Software Quality Systems France SASU	185,909	1,162,019
Expleo Solutions Limited	7,060,489	3,151,456
SQS North America, LLC	27,095	68,654
Trissential LLC	764,101	878,093
<b>Total</b>	<b>122,380,660</b>	<b>116,091,277</b>
<b>Legal and professional fees</b>		
Expleo Solutions Limited	3,818,822	1,730,620
Expleo Technology UK Limited	324,004	-
<b>Total</b>	<b>4,142,826</b>	<b>1,730,620</b>
<b>Reimbursement of expenses payable/ paid by the Company (gross)</b>		
SQS USA Inc	-	618,518
Expleo Technology UK Limited	4,248,134	896,683
Expleo Solutions Limited	4,449,119	465,413
Expleo Technology Germany AG	23,301,413	6,720,370
Expleo South Africa (Pty) Ltd.	4,424	107,768
Expleo Technology Ireland Limited	2,320,661	-
<b>Total</b>	<b>34,323,751</b>	<b>8,808,752</b>
<b>Interest expense during the year</b>		
Expleo Technology Germany AG	3,550,721	6,793,429
<b>Total</b>	<b>3,550,721</b>	<b>6,793,429</b>
<b>Salary and perquisites* and contribution to provident fund**</b>		
Prashant Bramhankar	9,667,041	9,614,764
Reji Cherian (Upto 26 April 2017)	-	837,410
Abhijit Atre	9,083,323	7,813,342
<b>Total</b>	<b>18,750,364</b>	<b>18,265,516</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.

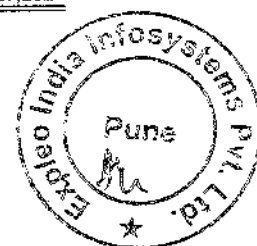
\*\* Excludes amounts accrued towards Gratuity and compensated absences, determined for the Company as a whole.

During the year, 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 2019	As at 31 March 2018
	₹	₹
<b>c) Balances with related parties</b>		
<b>Trade balances due to</b>		
Expleo Technology UK Limited	3,534,659	906,936
Expleo Technology Germany AG	21,237,771	1,513,270
Expleo Solutions Limited	855,601	315,623
<b>Total</b>	<b>25,628,031</b>	<b>2,735,829</b>
<b>Interest payable</b>		
Expleo Technology Germany AG	-	1,363,804
<b>Total</b>	<b>-</b>	<b>1,363,804</b>
<b>External Commercial Borrowings payable</b>		
Expleo Technology Germany AG	-	112,543,351
<b>Total</b>	<b>-</b>	<b>112,543,351</b>
<b>Trade balances due from (including unbilled revenue)</b>		
Expleo Technology Germany AG	288,902,490	95,757,488
Expleo Technology UK Limited	215,590,055	264,734,975
SQS USA Inc.	151,558,499	159,351,174
Expleo Technology Egypt	49,405	-
Expleo Technology Switzerland AG	1,137,673	2,163,739
Expleo Technology Ireland Limited	23,488,856	17,180,617
Expleo Group Austria GmbH	52,406,569	53,031,005
Expleo Netherlands B.V.	3,999,816	1,202,476
SQS Software Quality Systems Finland OY	264,754	333,715
Expleo South Africa (Pty) Ltd.	6,676,088	2,350,909
Expleo Group Management Consulting Austria GmbH	319,309	-
Expleo Solutions Limited	5,944,996	9,428,240
SQS North America, LLC	5,348,799	5,866,872
Trissential LLC	496,166	3,689,537
Expleo France	9,470,390	-
Expleo Technologies India Pvt. Ltd.	372,315	-
<b>Total</b>	<b>766,026,180</b>	<b>615,090,747</b>
	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
	₹	₹
<b>24 Value of imports on CIF basis</b>		
Property, plant and equipment	12,283,415	5,130,871
<b>Total</b>	<b>12,283,415</b>	<b>5,130,871</b>
<b>25 Earnings in foreign currency (accrual basis)</b>		
Value of services exported	1,041,001,292	1,056,687,461
Reimbursements	124,485,077	112,939,821
<b>Total</b>	<b>1,165,486,369</b>	<b>1,169,627,282</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 2019	Year ended 31 March 2018
	₹	₹
<b>26 Expenditure in foreign currency (accrual basis)</b>		
Travelling expenses	498,401	6,310,325
Reimbursement of expenses	6,528,650	8,343,339
Interest expense	3,550,721	7,082,429
Professional fees	1,133,595	515,181
Annual maintenance charges for licenses	24,658,148	-
<b>Total</b>	<b>36,369,515</b>	<b>9,630,624</b>

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

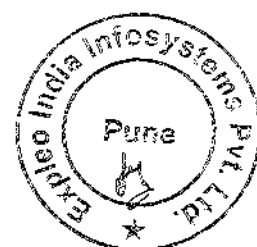
Currency	Foreign currency amount		Exchange rate*		Balance as on (₹)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Receivable</b>						
USD	2,727,267	2,717,358	69.1713	65.0441	188,648,604	176,748,105
GBP	2,430,482	2,877,688	90.4756	92.2846	219,899,317	265,566,286
Euro	4,922,662	2,072,779	77.7024	80.6222	382,502,652	167,112,003
ZAR	1,280,633	439,600	4.7709	5.5187	6,109,772	2,426,021
<b>Payable</b>						
GBP	3,526	5,698	90.4756	92.2846	319,017	525,838
Euro	314,635	1,419,726	77.7024	80.6222	24,447,895	114,461,396
<b>Bank balances</b>						
USD	-	40,579	69.1713	65.0441	-	2,639,425
GBP	-	-	90.4756	92.2846	-	-
EURO	47,602	215,207	77.7024	80.6222	3,698,790	17,350,499
CHF	200	200	69.6361	68.1063	13,927	13,621

\*As notified by the Reserve Bank of India

**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 provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows :

Particulars	Year ended 31 March 2019
Average net profit of the Company for the last three financial years	310,220,425
Prescribed CSR expenditure (2% of the average net profit as computed above)	6,204,408
<b>Details of CSR expenditure during the financial year:</b>	
Total amount to be spent for the financial year	6,204,408
Amount spent	276,171
Amount (excess spent)/unspent	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 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 2019 is currently in progress and adjustments if any, arising subsequent to completion of such study are not expected to materially impact the financial statements.
- 31 **Previous period 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 Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Bharat Shetty**  
Partner  
Membership No.: 106815



Place: Pune  
Date: 26 September 2019

For and on behalf of Board of directors



**Abhijit Atre**  
Director  
DIN: 03338158

Place: Pune  
Date: 26 September 2019



**Prashant Bramhankar**  
Director  
DIN: 07439819

Place: Pune  
Date: 26 September 2019

