



Expleo Technology India Private Limited

(an expleo group company)

Consolidated Financial Statements for the year ended 31 March 2020

CIN:U72900KA2008FTC046904

Registered Office: Xylem, 2A, Plot No. 4 & 4A,
Dyavasandra Industrial Area, Mahadevapura,
Bengaluru, Karnataka 560048

INDEPENDENT AUDITOR'S REPORT

To the Members of Expleo Technologies India Private Limited (*formerly known as Assystem Technologies India Private Limited*),

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited) (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Profit and Loss statement, the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit, and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 35 of the consolidated financial statements for the year ended 31 March 2020, which describes the management's assessment of the impact of the outbreak of Covid pandemic on the business operations of the Company. As stated therein, the management has considered present impact of the pandemic to the extent known and available currently and believes that no adjustments is required in the financial statements. However, the impact assessment is a continuing process and highly dependent upon the circumstances as they evolve given the uncertainties associated with its nature and duration.

Our Opinion is not modified in the respect of the above matter.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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.

Chartered Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls. In respect of subsidiary company included in the consolidated financial statement we are not responsible for expressing an opinion on whether that company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls, since the provision of section 143(3)(i) are not applicable to the subsidiary company.
- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Mr. Michael John Sheehan has not furnished written representation that he is not disqualified from being appointed as a director in terms of section 164(2) of the Companies Act, 2013. In the absence of this representation, we are unable to comment whether Mr. Michael John Sheehan is disqualified from being appointed as a director under sub-section (2) of section 164 of the Companies Act, 2013. We further note that this director has resigned as the director of the Company with effect from 04 May 2020. As far as other directors are concerned, on the basis of the written representations received from such directors, and taken on record by the Board of Directors, we report that none of the remaining directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**.
- (g) In our opinion and to the best of our information and according to the explanation given to us, the provisions of section 197 of the Act is not applicable to the company for the year under audit. Accordingly, reporting under section 197(16) is not applicable.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group on its consolidated financial statements- Refer Note 28 to the consolidated financial statements;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

Place: Bengaluru
Date: 06 November 2020

for VARMA & VARMA
Chartered Accountants
FRN 0045325

Srinivas K
P

Digitally signed by Srinivas K P
DN: cn=K, o=Personal, email=S, c=IN
c=IN, o=Personal, email=S, c=IN
2259467,
c=IN, o=Personal, email=S, c=IN
00000110812466113a335f18ca4c,
c=IN, o=Personal, email=S, c=IN
serialNumber=94344778699278493796d3,
2.5.1.142694573846420020313866, cn=Srinivas K P,
Date: 2020.11.06 16:56:19 +05'30'

K P SRINIVAS
Partner
M. No. 208520
UDIN: 20208520AAAAOU6582

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Clause (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report of even date on the Consolidated financial statements of Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited), for the year ended 31 March 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited), (hereinafter referred to as "the Holding Company") which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the of the Holding company are 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 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 its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

In our opinion, the Holding Company which is a company incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	14,03,97,780	14,03,97,780
Reserves and surplus	4	6,32,29,674	(1,99,064)
		20,36,27,454	14,01,98,716
Minority Interest			
		-	-
Non-Current Liabilities			
Long-term borrowings	5	41,44,925	1,16,57,850
Long-term provisions	6	5,63,72,000	4,75,61,660
		6,05,16,925	5,92,19,510
Current Liabilities			
Short Term Borrowings	7	6,00,00,000	2,19,595
Trade payables	8	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		15,90,60,946	7,18,15,950
Other current liabilities	9	20,46,76,793	7,34,17,787
Short-term provisions	10	67,49,030	63,87,502
		43,04,86,769	15,18,40,834
TOTAL		69,46,31,148	35,12,59,060
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Property, plant and equipments		1,94,34,861	1,95,70,898
Intangible assets		6,17,79,670	1,29,32,222
Goodwill on consolidation	12	-	2,43,43,522
Deferred tax asset (net)	13	2,68,64,404	-
Long-term loans and advances	14	13,60,16,141	9,30,39,014
Other non current assets	15	13,45,237	11,85,879
		24,54,40,312	15,10,71,535
Current assets			
Inventories	16	4,04,43,116	6,11,05,433
Trade receivables	17	23,41,08,390	8,25,47,257
Cash and cash equivalents	18	4,20,50,259	36,67,659
Short-term loans and advances	19	5,92,45,283	1,27,05,014
Other current asset	20	7,33,43,788	4,01,62,162
		44,91,90,836	20,01,87,525
TOTAL		69,46,31,148	35,12,59,060

Corporate Information and Significant Accounting Policies 1 & 2
The accompanying notes forming an integral part of the consolidated financial statements

For and behalf of the Board of Directors of
Expleo Technologies India Private Limited
CIN:U72900KA2008FTC046904

VENKATARAM ANA MANTHA
Digitally signed by VENKATARAMANA MANTHA
Date: 2020.11.06 13:16:17
+05'30'

VENKATARAMANA MANTHA
Director
DIN:7485325

Place: Bengaluru
Date: 06 November 2020

ABHIJIT MUKUND ATRE
Digitally signed by ABHIJIT MUKUND ATRE
Date: 2020.11.06 11:10:56 +05'30'

ABHIJIT MUKUND ATRE
Director
DIN:03338158

Place: Pune
Date: 06 November 2020

PRASHANT EKNATH BRAMHANKAR
Digitally signed by PRASHANT EKNATH BRAMHANKAR
Date: 2020.11.06 12:38:58
+05'30'

PRASHANT EKNATH BRAMHANKAR
Director
DIN:07439819

Place: Pune
Date: 06 November 2020

As per our report of even date
for **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas K P
Digitally signed by Srinivas K P
DN: cn=Srinivas K P, o=VARMA & VARMA, email=srinivas.k.p@varma.com, c=IN

K P SRINIVAS
Partner
M No. 208520

Place: Bengaluru
Date: 06 November 2020

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from operations	21	91,86,75,841	59,99,96,141
Other Income	22	1,76,35,684	25,41,219
		93,63,11,525	60,25,37,360
Expenses			
Cost of material consumed	23	17,05,13,140	4,70,61,296
Employee Benefits Expenses	24	47,60,96,465	35,63,02,521
Finance Costs	25	47,83,346	3,29,976
Depreciation and Amortization Expenses	11	2,02,02,817	1,61,56,514
Other Expenses	26	21,58,95,547	12,08,78,851
		88,74,91,315	54,07,29,158
Profit before tax		4,88,20,210	6,18,08,202
Tax Expense for the year:			
Current tax		1,22,55,876	1,20,20,290
Deferred tax expense/(credit)		(2,68,64,404)	-
		(1,46,08,528)	1,20,20,290
Profit for the year after tax expense		6,34,28,738	4,97,87,912
Earnings per equity share of Rs.10 each			
Weighted average number of equity Shares outstanding during the year.		1,40,39,778	1,40,39,778
Basic & Diluted per share (in Rs.)		4.52	3.55
Corporate Information and Significant Accounting Policies		1 & 2	
The accompanying notes forming an integral part of the consolidated financial statements			

For and behalf of the Board of Directors of
 Expleo Technologies India Private Limited
 CIN:U72900KA2008FTC046904

VENKATARAM ANA MANTHA
 Digitally signed by VENKATARAMANA MANTHA
 Date: 2020.11.06 13:17:11 +05'30'

VENKATARAMANA MANTHA
 Director
 DIN:7485325

Place: Bengaluru
 Date: 06 November 2020

ABHIJIT MUKUND ATRE
 Digitally signed by ABHIJIT MUKUND ATRE
 Date: 2020.11.06 11:11:51 +05'30'

ABHIJIT MUKUND ATRE
 Director
 DIN:03338158

Place: Pune
 Date: 06 November 2020

PRASHANT EKNATH BRAMHANKAR
 Digitally signed by PRASHANT EKNATH BRAMHANKAR
 Date: 2020.11.06 12:40:10 +05'30'

PRASHANT EKNATH BRAMHANKAR
 Director
 DIN:07439819

Place: Pune
 Date: 06 November 2020

As per our report of even date
For VARMA & VARMA
 Chartered Accountants
 FRN 004532S

Srinivas K P
 Digitally signed by Srinivas K P
 DN: cn=Srinivas K P, o=VARMA & VARMA, email=srinivas@varma.com, serial=92715625d5c8829a95c41070e994160254957, c=IN, ou=Karnataka, postalCode=560016, st=Karnataka, serialNumber=91a3a4778a077986927548376c62f676c0d5d7c78f9a3a290725138e46, cn=Srinivas K P
 Date: 2020.11.06 16:00:22 +05'30'

K P SRINIVAS
 Partner
 M No. 208520

Place: Bengaluru
 Date: 06 November 2020

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Cash flow from operating activities :		
Net Profit before exceptional items and tax expenses	4,88,20,210	6,18,08,202
Adjustments for;		
Depreciation	2,02,02,817	1,61,56,514
Unrealised forex loss/(gain) on cash and cash equivalents	(1,372)	(16,218)
Unrealised forex loss/(gain) on external commercial borrowings	(32,748)	(6,44,259)
Provision for goodwill	2,43,43,522	-
Interest Income	(1,90,436)	(1,31,035)
Interest Expenses	47,83,346	2,57,934
Operating Profit before Working Capital Changes	9,79,25,338	7,74,31,138
Adjustments for changes in working capital;		
Trade receivables	(15,15,61,133)	(1,49,10,000)
Inventory	2,06,62,317	(4,29,48,834)
Loans and advances	(6,82,34,138)	(23,83,050)
Other assets	(3,31,81,626)	(1,42,91,534)
Trade payables	8,72,44,996	1,58,35,200
Provisions	91,71,868	55,40,000
Other liabilities	13,77,71,667	(40,93,300)
Cash generated from operations	9,97,99,289	2,01,79,620
Less: Income tax paid/ Tax deducted at source	(3,35,39,134)	(2,68,69,099)
Net cash from (used) in operating activities (A)	6,62,60,155	(66,89,479)
Cash flow from investing activities :		
Purchase of property, plant and equipment & Intangible assets	(6,89,14,226)	(98,59,410)
Interest received	31,078	1,96,137
Net Cash used in investing activities (B)	(6,88,83,148)	(96,63,273)
Cash flow from financing activities :		
Utilisation of overdraft facility from bank	(2,19,595)	2,19,595
Interest paid	(1,18,13,957)	(2,57,934)
Repayment of external commercial borrowings	(69,62,227)	(80,29,441)
Inter-Corporate Loan from related party	9,00,00,000	-
Repayment of Inter-Corporate Loan from related party	(3,00,00,000)	-
Net Cash from (used) in financing activities (C)	4,10,04,221	(80,67,780)
Net increase in Cash and Cash Equivalents (A+B+C)	3,83,81,228	(2,44,20,532)
Cash and cash equivalents as at the beginning of the year	36,67,659	2,80,71,972
Adjustment for exchange rate fluctuations on cash and cash equivalents	1,372	16,218
Cash and cash equivalents as at the end of the year (Refer Note 18)	4,20,50,259	36,67,659

For and behalf of the Board of Directors of

Expleo Technologies India Private Limited

CIN:U72900KA2008FTC046904

VENKATARAMA
NA MANTHA

Digitally signed by
VENKATARAMANA MANTHA
Date: 2020.11.06 13:18:07 +05'30'

VENKATARAMANA MANTHA
Director
DIN:7485325

PRASHANT EKNATH
BRAMHANKAR

Digitally signed by PRASHANT
EKNATH BRAMHANKAR
Date: 2020.11.06 12:41:23
+05'30'

PRASHANT EKNATH BRAMHANKAR
Director
DIN:07439819

Place: Bengaluru
Date: 06 November 2020

Place: Pune
Date: 06 November 2020

ABHIJIT
MUKUND ATRE

Digitally signed by
ABHIJIT MUKUND ATRE
Date: 2020.11.06
11:12:31 +05'30'

ABHIJIT MUKUND ATRE
Director
DIN:03338158

Place: Pune
Date: 06 November 2020

As per our report of even date

For VARMA & VARMA

Chartered Accountants

FRN 004532S

Srinivas K
P

Digitally signed by Srinivas K P
DN: cn=Srinivas K P, o=VARMA & VARMA
Chartered Accountants, email=Srinivas.K.P@varma&varma.com, postalCode=560001, st=KARNATAKA, serialNumber=1, c=IN
Date: 2020.11.06 10:51:49 +05'30'

K P SRINIVAS
Partner
M No. 208520

Place: Bengaluru
Date: 06 November 2020

1 Corporate Information:

Expleo Technologies India Private Limited "the Company" incorporated on 25th June 2008 (CIN:U72900KA2008FTC046904) is a subsidiary of Silver Atena Limited, United Kingdom. With effect from 16th March 2019, the company has changed its name from 'Assystem Technologies India Private Limited' to 'Expleo Technologies India Private Limited'. The company is primarily into the business of providing software development and engineering consultancy services with areas of focus in the field of Aerospace, Automobiles, Defence and Rail. The company is a part of Expleo Group.

2 Significant Accounting Policies

2.1 Basis of Preparation of Consolidated Financial Statements

These Consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the accrual basis. IGAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current and non-current as per the companies' normal operating cycle and other criteria set out in schedule III to the Act. Based on the nature of services rendered and their realisation in cash and cash equivalent the company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

2.2 Use of Estimates

The preparation of the Consolidated financial statements in conformity with Accounting Standards requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated financial statements have been disclosed in the ensuing Notes. Accounting estimates could change from year to year. Also actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

2.3 Cash Flow

The consolidated cash flow statement comprises cash from operating, financing and investment activities. The Cash flow statement is prepared in accordance with the Accounting Standard – 3 using indirect method to determine cash flow from operating activities. Cash and Cash equivalent comprises of cash, bank balances and deposit with less than 3 months maturity.

2.4 Property, Plant and Equipment ("PPE") and Depreciation

PPE's are carried at cost of acquisition or construction less accumulated depreciation. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective "PPE". Depreciation on PPE is provided on the straight-line method, based on estimated useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013, which is considered appropriate by the management.

Leasehold improvements are amortised over the Primary/ balance period of lease agreement.

Pro-rata depreciation is provided on all assets purchased from the date the assets is ready to use and upto date of sale in respect of assets sold during the year .

2.5 Intangible Assets and Amortisation

Intangible assets comprising of computer software are capitalised where it is expected to provide future enduring economic benefit. Capitalisation costs include licence fee, cost of development and implementation services. The costs are capitalised in the year in which the relevant intangible assets is deployed for its intended use.

Software License fees are amortised over licence period or 3 Years, whichever is lower.

2.6 Revenue Recognition

Sale of Services:

Revenue from engineering consultancy and software development and verification services is recognised as and when services performed are reliably measured and no uncertainty exists as to its realisation. Revenue from the contracts that are based on time and material model is recognised as and when the service are rendered and related costs are incurred as per the agreed terms.

Revenue from the contracts based on fixed price/ delivery model are recognised in the statement of profit and loss proportionately with the degree of completion of services under a contract, while anticipated losses are provided for all. Revenue in excess of billings on service contracts is recorded as 'unbilled revenue' and is included under 'other current assets'. Billing in excess of revenue is recorded as 'income invoiced but not accrued' and is included under 'Current Liabilities'.

Revenue in respect of claims are recognised only when it is reasonably certain that the ultimate collection will be made and where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim revenue recognition is postponed to the extent of uncertainty involved.

Sale of Goods:

Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the customers which coincides with dispatch of goods. An essential criterion for the recognition of revenue is that the consideration receivable for the sale of goods is reasonably determinable. When such consideration is not determinable within reasonable limits, the recognition of revenue is postponed.

Other Income:

Interest income is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable and other income are recognised as and when they are realised or when there is no uncertainty as to its realisation.

2.7 Foreign currency transactions

Foreign currency transactions during the year are recorded on the basis of exchange rate followed by the group which approximates the rate on the day of transaction. The Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Profit and Loss Statement of the year.

Monetary assets and liabilities denominated in foreign currencies are translated into rupees at the rates of exchange prevailing at the date of the balance sheet; the resultant exchange differences are recognized in the Profit and Loss Statement.

2.8 Investments

Current investments are valued at lower of cost and fair value as on the date of balance sheet. Long term investments are valued at cost. Provision is made for diminution in the value of long term investments which are other than temporary.

2.9 Employee Benefits

Short - Term Employee Benefits:

Recognised as an expense at the undiscounted amount in the Profit and Loss Statement for the year in which the related service is rendered

Post Employment and Other Long Term Employee Benefits:

The Company has Defined Benefit Plans namely Gratuity and Long term service award and Other Long Term Employee Benefits i.e. Leave Encashment / Compensated Absences, the liability for which is determined on the basis of an actuarial valuation at the end of the year based on the Projected Unit Credit Method. Gains and losses arising out of actuarial valuations are recognised immediately in the Profit and Loss Statement as income or expense.

Defined contribution plans - Employee Provident Funds

The Company has defined contribution plans for its employees comprising of provident fund. The contributions paid/payable to these plans during the year are charged to the Profit and Loss Statement for the year. The Company has no other obligation in this regard.

2.10 Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as part of the cost of such asset upto the date when such assets are ready for its intended use.

Other borrowing costs are charged to Profit and Loss Statement.

2.11 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

Leases where significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. The operating lease payments are recognized as expense in the Profit and Loss Statement on a systematic basis which is considered appropriate by the management.

2.12 Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the foreseeable future. In the year in which MAT credit becomes eligible to be recognized, the said asset is recognised by way of a credit to the Profit and Loss Statement and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of the MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income-tax during the specified period.

2.13 Impairment of Assets

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is estimated for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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 profit and loss statement. If, at the balance sheet date, there is an indication that a previously assessed impairment loss may no longer exist, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

2.14 Provisions and Contingencies

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. No provision or disclosure is made when, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of outflow of resources is remote.

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

2.15 Earnings per share

The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.16 Inventories

Inventories as at the year end represents cost of material, engineering, design and other services required and incurred in relation to goods that would be manufactured by an external party. These are stated at lower of cost or net realisable value.

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
-------------	--------------------------	--------------------------

SHAREHOLDERS' FUNDS

3 Share Capital

3.1 Equity Share Capital

Authorised Equity Share Capital :

1,50,00,000 (2019: 1,50,00,000) shares of Rs.10 each 15,00,00,000 15,00,00,000

Issued, Subscribed and Fully Paid Up :

1,40,39,778 (2019: 1,40,39,778) shares of Rs.10 each **14,03,97,780** **14,03,97,780**

3.2 Reconciliation of the number of shares outstanding as at the year end is given below:

Equity Shares outstanding	As at 31st March 2020		As at 31st March 2019	
	No. of shares	Amount	No. of shares	Amount
at the beginning of the year	1,40,39,778	14,03,97,780	1,40,39,778	14,03,97,780
shares issued during the year	-	-	-	-
at the end of the year	1,40,39,778	14,03,97,780	1,40,39,778	14,03,97,780

Note: There has been no change in share outstanding as at year end and immediately preceding year end.

3.3 Shares in the company held by Holding Company and each shareholder holding more than 5 per cent shares and other shareholders:

Name of the shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of shares	%	No. of shares	%
Silver Atena Limited, UK	1,40,39,777	99.99%	1,40,39,777	99.99%
Venkataramana Mantha	1	0.01%	1	0.01%

Note: The above details are as per the records including members register maintained by the company.

3.4 Notes on Share Capital:

- a. The company has only one class of shares referred to as Equity Shares having a par value of Rs.10. Each holder of equity share is entitled to one vote per share.
- b. There are no preferences or restrictions attached to class of shares mentioned above.
- c. **For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:**
 No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
 No shares were allotted as fully paid up by way of bonus shares.
 No shares were bought back.
- d. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after payment of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

4 Reserves & Surplus

Surplus in Profit and Loss Statement

Surplus/(Deficit) - as at the beginning of the year	(1,99,064)	(4,99,86,976)
Profit for the year	6,34,28,738	4,97,87,912
Surplus - as at the end of the year	6,32,29,674	(1,99,064)

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
-------------	--------------------------	--------------------------

NON-CURRENT LIABILITIES

5 Long-term borrowings (Refer Note 30)

Unsecured

External commercial borrowings from related party (refer note 5.1)

41,44,925	1,16,57,850
41,44,925	1,16,57,850

Refer Note No. 9 below for current maturities for the loan due.

- 5.1** External commercial borrowings ("ECB") from Expleo International SASU, France of Rs. 4,62,29,000 (equivalent Euro 6,30,000) transferred from Expleo Engineering India Private Limited, India pursuant to the Business Transfer Agreement with an initial sanction of Euro 8,00,000 for general business purposes are repayable in 16 equal half yearly installments of Euro 50,000 with repayment scheduled from November 2013 and carry an interest rate of 1.15% plus EURIBOR 6 months.

The movement in ECB is detailed below:

Loan transferred	Loan outstanding as at 1 April, 2019	Loan repaid during the Year	Loan outstanding as at 31 March, 2020
6,30,000	2,50,000	1,00,000	1,50,000
(6,30,000)	(3,50,000)	(1,00,000)	(2,50,000)

6 Long-term provisions

Provision for employee benefits (refer note 32)

Gratuity

3,69,89,490

3,08,09,476

Compensated absences

1,07,88,133

79,31,878

Long term service award

59,33,172

63,82,367

Others:

Rent Equalisation Account

26,61,205

24,37,939

5,63,72,000

4,75,61,660

CURRENT LIABILITIES

7 Short Term Borrowings

Overdraft Facility - Secured (refer note 7.1)

-

2,19,595

Inter-Corporate loan from related party - Unsecured (refer note 7.2 & 30)

6,00,00,000

6,00,00,000

2,19,595

- 7.1** The Bank overdraft / working capital facility from HSBC Bank for a combined limit of Rs. 5,00,00,000 is secured by bank guarantee of Rs. 5,00,00,000 furnished by Expleo Group SAS, France as a group company and a demand promissory note executed by the company for Rs. 5,00,00,000 for each facility. This facility carry a mutually agreed interest rate which is fixed with reference to prevalent bank MCLR rate. This facility has been closed during the year.

- 7.2** The Inter-Corporate Loan from related party represents loan arrangement with Expleo India Infosystems Private Limited, India, an associate entity for maximum approved amount of Rs.10,00,00,000 (2019: Nil) and carries interest of Rs.7.5% per annum. This said arrangement for period from 01 April 2019 to 31 March 2021 and is repayable on demand or as mutually agreed, accordingly classified as current.

The movement in Inter-Corporate Loan is detailed below:

Loan taken during the year	Loan repaid during the Year	Loan outstanding as at 31 March, 2020	Interest Accrued as at 31 March, 2020
9,00,00,000	3,00,00,000	6,00,00,000	45,25,685
-	-	-	-

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
8 Trade Payables		
Dues of micro and small enterprises (refer note 8.1)	-	-
Dues to related parties (including accruals) (refer note 8.2 & 30)	13,17,74,978	5,08,77,968
Dues to creditors other than micro and small enterprises (including accruals) (refer note 30)	2,72,85,968	2,09,37,982
	15,90,60,946	7,18,15,950
8.1 Based on the information available with the Company, none of the vendors have identified themselves as Micro & Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Hence no disclosures are made in this regard.		
8.2 Detail of Dues to related parties (including year-end accruals) :		
Expleo France SASU, France (refer note 8.3 below)	10,74,62,517	4,91,20,351
Expleo Group SAS, France	7,42,785	-
Expleo Engineering UK Limited, United Kingdom	-	4,08,453
Expleo India Infosystems Private Limited, India	1,29,69,541	3,72,314
Expleo Technology Ireland Limited, Ireland	-	2,33,157
Expleo Services SASU, France	42,84,048	7,06,802
Expleo South Africa International Pty Ltd, South Africa	75,797	-
Expleo Technology Egypt	26,833	-
Expleo Technology Germany GmbH, Germany	4,01,208	-
Expleo Plastic Solutions, France	48,61,036	-
Expleo Romania S.R.L., Romania	9,51,213	-
Assystem SA, France	-	36,691
	13,17,74,978	5,08,77,768
8.3 Trade payables due to related parties as at 31 March 2020 includes amount payable towards import of services amounting to Rs.7,57,48,861/- which is outstanding for more than six months from the date of import. The Company is in the process of completing necessary documentation and making an application with the Authorised Dealer, for regularising these payments.		
9 Other Current Liabilities		
Income invoiced but not accrued	9,41,47,524	98,82,953
Employee dues (refer note 9.1)	1,52,29,184	63,90,232
Statutory dues	2,62,92,466	2,68,53,967
Dues towards purchase of capital goods/ software	4,57,47,595	-
Dues to related parties (refer note 9.2)	4,13,338	1,82,946
Advance from Customers (refer note 30)	1,02,18,782	2,21,30,566
Current maturities of long term loans (refer note 5)	82,89,850	77,71,900
Interest accrued and not due on Inter-Corporate Loan from related party	40,73,116	-
Interest accrued but not due on external commercial borrowing	2,64,938	2,05,223
	20,46,76,793	7,34,17,787
9.1 Include dues to;		
Mr. Venkataramana Mantha - Key Management Personnel (Executive Director)	-	4,98,522
9.2 Details of dues to related parties ;		
Expleo Engineering India Private Limited	4,13,338	1,82,946
10 Short-term Provisions		
Provision for employee benefits (refer note 32)		
Gratuity	21,13,445	24,62,146
Compensated absences	21,91,485	17,93,606
Long term service award	24,30,000	21,20,000
Others:		
Rent equalisation account	14,100	11,750
	67,49,030	63,87,502

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
 (All amounts are in Indian Rupees, unless otherwise stated)

11 Property, Plant & Equipment

11.1 Tangible assets	Gross Block - at cost		Depreciation		Impairment loss	Net Block(WDV) As at 31 March 2020
	As at 01 April 2019	Additions for the year	As at 31 March 2020	For the year		
Plant and Equipment (Including computers and computer networks)	1,94,37,187 (1,67,62,099)	86,66,734 (26,75,088)	2,81,03,921 (1,94,37,187)	29,19,562 (17,22,272)	-	1,06,61,242 (49,14,070)
Vehicles	24,67,066 (23,97,611)	(69,455)	24,67,066 (24,67,066)	6,963 (12,468)	-	57,764 (64,726)
Office equipment	50,23,094 (47,35,651)	1,03,587 (2,87,443)	51,26,681 (50,23,094)	2,84,059 (7,96,612)	-	6,13,797 (7,94,268)
Furniture & Fittings	24,61,889 (24,55,109)	(6,780)	24,61,889 (24,61,889)	2,27,058 (2,14,452)	-	11,45,640 (13,72,697)
Leasehold Properties	3,11,38,298 (3,08,05,600)	56,050 (3,32,698)	3,11,94,348 (3,11,38,298)	55,24,769 (54,83,965)	-	69,56,418 (1,24,25,136)
TOTAL Previous year	6,05,27,533 (5,71,56,069)	88,26,371 (33,71,464)	6,93,53,905 (6,05,27,533)	89,62,409 (82,29,769)	-	1,94,34,861 (1,95,70,898)

11.2 Intangible assets	Gross Block - at cost		Depreciation		Impairment loss	Net Block(WDV) As at 31 March 2020
	As at 01 April 2019	Additions for the year	As at 31 March 2020	For the year		
Software	3,58,46,984 (2,93,59,038)	6,00,87,855 (64,87,946)	9,59,34,839 (3,58,46,984)	1,12,40,407 (79,26,745)	-	6,17,79,670 (1,29,32,222)
Goodwill	15,37,00,810 (15,37,00,810)	-	15,37,00,810 (15,37,00,810)	-	15,37,00,810 (15,37,00,810)	-
TOTAL Previous year	18,95,47,794 (18,30,59,948)	6,00,87,855 (64,87,946)	24,96,35,649 (18,95,47,794)	1,12,40,407 (79,26,745)	15,37,00,810 (15,37,00,810)	6,17,79,670 (1,29,32,222)

11.3 Amounts in parenthesis relates to previous year.

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
NON-CURRENT ASSETS		
12 Goodwill on consolidation		
Value of Goodwill	2,43,69,522	2,43,69,522
Less: Provision for Goodwill (refer note 12.1)	<u>(2,43,69,522)</u>	<u>(26,000)</u>
	-	2,43,43,522
12.1	The Subsidiary Company has substantial accumulated loss as at the reporting date and its net worth is almost eroded. The Subsidiary Company has substantial accumulated loss as at the reporting date and its net worth is almost eroded. During the financial year 2015-16, the Company had invested Rs. 2,49,00,000/- in Silver Software Development Centre Private Limited, which become a subsidiary of the company with effect from 02 February, 2016. Considering the future prospects of that company in the present business environment and as a matter of prudence, the Management has made provision for the entire carrying value of goodwill.	
13 Deferred Tax Asset (net)		
Timing differences on ;		
Carrying value of Property, Plant and Equipments (fixed assets)	79,75,293	-
Expenses allowable on payment basis for tax purposes	<u>1,88,89,111</u>	<u>-</u>
	2,68,64,404	-
Note: The tax impact for the above purpose has been arrived at by applying a tax rate of 27.82% being the enacted tax rates for Indian companies under the Income Tax Act, 1961.		
14 Long-term loans and advances		
<i>Unsecured, considered good</i>		
14.1 Security Deposits		
Rent deposits	1,13,45,930	1,13,45,930
other deposits	<u>4,000</u>	<u>4,000</u>
	1,13,49,930	1,13,49,930
14.2 Others		
Advance tax, net of provisions (refer note 28 & 30)	6,94,96,722	4,82,13,464
Goods and Service Tax Input Credit (refer note 14.3)	4,80,19,012	2,43,86,447
Service tax refund receivable (refer note 14.4)	31,09,346	67,10,173
Prepaid Expenses (Non-current portion)	16,62,131	-
Others (refer note 14.5)	<u>23,79,000</u>	<u>23,79,000</u>
	12,46,66,211	8,16,89,084
	13,60,16,141	9,30,39,014
14.3	Input tax credit of goods and service tax carried in the books of account are being reviewed / reconciled with returns filed. Adjustments, if any, are not expected to be material and will be made in the returns within the time period allowed. Further the Management is confident of utilisation of these input tax credits against the output tax liability or claim as refund in the future period and hence no provision is considered necessary at this stage, which is considered appropriate. The amount of ITC as per the returns filed by the Company Rs. 4,83,98,397/-.	
14.4	The application for refund of service tax filed in an earlier year is not yet processed by the Department and the same is expected to be realised in full without any material adjustment and hence no provision is considered necessary at this stage, which is considered appropriate by the Management.	
14.5	This represents goods and service tax in respect of credit notes issued in the earlier year that could not adjusted in the monthly returns filed by the Company. The refund application filed by the company was rejected by the GST authorities against which company has filed the appeal and the same is pending before the Commissioner of Central Tax (Appeal).	
15 Other non-current assets		
<i>Unsecured, considered good</i>		
Others		
Fixed deposits held with bank	13,45,237	11,85,879
	<u>13,45,237</u>	<u>11,85,879</u>
15.1	Fixed deposits with banks are held under lien for issue of bank guarantee facility and it also includes deposit aggregating to Rs.9,43,772 (2019: Rs.7,42,000) held in the name of Expleo Engineering India Private Limited (formerly Assystem India Private Limited), India, an associate entity, which was transferred pursuant to Business Transfer Agreement with that Company and pending completion of change of the account holder name.	

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
CURRENT ASSETS		
16 Inventories		
Work-In-Progress (refer note 2.16)	4,04,43,116	6,11,05,433
	4,04,43,116	6,11,05,433
16.1 Changes in work-in-progress		
Balances as at the beginning of the year	6,11,05,433	1,81,56,166
Additions for the year	4,04,43,116	6,11,05,433
Revenue recognised during the year	(6,11,05,433)	(1,81,56,166)
Balances as at the end of the year	4,04,43,116	6,11,05,433
Note: The inventories held with third party (sub-contractors) and the same is subject to confirmation.		
17 Trade Receivables (refer note 30)		
<i>Unsecured, considered good</i>		
17.1 Dues from others		
Outstanding from the date they are due for payment for a period more than six months (refer note 17.3)	1,26,45,062	34,95,729
for a period not more than six months	19,65,13,504	5,49,21,647
	20,91,58,566	5,84,17,376
17.2 Dues from related parties		
Outstanding from the date they are due for payment (refer note 17.4) for a period more than six months	-	-
for a period not more than six months	2,49,49,824	2,41,29,881
	2,49,49,824	2,41,29,881
	23,41,08,390	8,25,47,257
17.3 Includes Retention money held with the customers Rs.1,10,96,113 (2019: 34,95,729) which are expected to be realised within a period of 12 months from the end of the financial year and hence disclosed under current.		
17.4 Trade receivable from Related parties includes;		
Expleo France SASU , France	1,97,16,651	78,20,334
Expleo Germany GmbH, Germany	2,91,415	9,89,985
Expleo Regions SASU, France	21,25,476	12,20,693
Expleo Talent International Management SA, Switzerland	-	10,51,163
Expleo Engineering UK Limited, United Kingdom	26,43,481	42,31,941
Expleo Plastic Solutions, France	-	80,14,072
Expleo Solutions Limited, India	1,72,800	8,01,693
	2,49,49,823	2,41,29,881
18 Cash and cash equivalents		
Cash on hand	42,975	45,351
Balances with banks held in;		
In current accounts (refer note 18.1)	18,03,515	18,11,310
In EEFC accounts	3,95,66,258	18,10,998
In current account with overdraft facility	6,37,511	-
	4,20,50,259	36,67,659
18.1 Balance held in current account includes Rs.83,748/- (2019:Rs.83,748/-) held in the name of Expleo Engineering India Private Limited (formerly Asssystem India Private Limited), India which was transferred pursuant to Business Transfer Agreement, however the company is still in the process of change of account holders name.		

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
19 Short-term loans and advances		
<i>Unsecured, considered good</i>		
19.1 Security Deposits		
Rent deposits	11,55,000	22,70,000
Other deposits	-	1,50,000
	11,55,000	24,20,000
19.2 Others		
Prepaid expenses	2,88,23,808	65,44,615
Advances to suppliers	1,90,36,002	3,40,125
Staff travel & other advances	1,01,27,873	34,00,274
Receivable from Related party (refer note 19.3 & 30)	1,02,600	-
	5,80,90,283	1,02,85,014
	5,92,45,283	1,27,05,014
19.3 Receivable from Related party towards rent and expenses;		
Expleo India Infosystems Private Limited, India	1,02,600	-
	1,02,600	-
20 Other current assets		
Unbilled revenue (refer note 20.1)	7,33,43,788	4,01,62,162
	7,33,43,788	4,01,62,162
20.1 Includes unbilled revenue in respect of related parties		
Expleo Engineering UK Ltd, UK	76,92,741	46,49,244
Expleo Regions SASU, France	1,36,855	-
Expleo France SASU, France	55,28,256	-
Expleo Germany GmbH, Germany	43,92,382	-
Expleo Solutions Limited, India	-	3,20,000
Expleo Plastic Solutions, France	-	3,11,653
	1,77,50,235	52,80,897

This space has been intentionally left blank

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
21 Revenue from operations		
Sale of Products (Refer Note 21.1 below)	20,54,01,131	5,73,71,017
Sale of Services - Engineering & Software Services		
Exports	39,82,49,207	28,72,36,133
Deemed Exports	22,22,74,108	15,60,33,188
Domestic	9,27,51,395	9,93,55,803
	71,32,74,710	54,26,25,124
	91,86,75,841	59,99,96,141
21.1 Sale of products represents consideration received for design and manufacture of certain components. The design and quality checks of these products were carried out by the Company and the manufacture of these products were outsourced to external parties.		
22 Other Income		
Foreign exchange fluctuations gain (net)	1,08,96,429	8,86,649
Service tax refund received	42,14,669	-
Interest Income on deposits with banks	1,90,436	1,31,035
Profit on sale of Mutual Fund	-	4,40,529
Income from allowing the use of Infrastructure facility	19,20,000	10,52,450
Rent received	24,000	24,000
Interest on income tax refund	150	170
Miscellaneous Income	3,90,000	6,386
	1,76,35,684	25,41,219
23 Cost of materials [Project Cost]		
Purchases	6,99,27,516	2,27,49,760
Other direct expenses	93,91,570	3,88,155
	7,93,19,087	2,31,37,915
Add: Employee benefit expenses transferred to project cost	94,37,259	37,15,484
Add: Other expenses transferred to project cost	8,79,99,776	2,02,07,897
Less: Cost of material transferred to work-in-progress	(62,42,982)	-
	17,05,13,140	4,70,61,296
24 Employee benefit expenses		
Salaries, wages and benefits	44,52,77,652	33,58,66,884
Gratuity	97,72,979	58,76,626
Compensated absences	51,12,535	14,21,831
Long term service award	11,70,805	9,62,686
Contribution to provident and other funds	1,83,90,998	1,25,88,044
Staff welfare expenses	58,08,755	49,35,990
	48,55,33,724	36,16,52,061
Less: Employee benefit expenses transferred to project cost	(94,37,259)	(37,15,484)
Less: Employee benefit expenses transferred to work-in-progress	-	(16,34,056)
	47,60,96,465	35,63,02,521
25 Finance Cost		
Interest on external commercial borrowings from related party	1,79,718	2,57,934
Interest on Inter corporate Loan from related party	45,25,685	-
Interest on over draft facility from Bank	1,335	-
Interest on late payment of statutory dues	76,608	72,042
	47,83,346	3,29,976

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
26 Other Expenses		
Rent	2,37,70,157	2,28,84,734
Provision for goodwill (refer note 12)	2,43,43,522	-
Repairs & maintenance:		
- Buildings	63,38,005	63,23,502
- Plant & equipments	10,37,339	6,48,577
- Others	2,98,250	3,52,880
Insurance	22,66,455	14,68,563
Rates and taxes	15,26,108	8,85,334
Service tax refund no longer receivable written-off	9,33,520	-
Bank charges	3,37,378	1,98,265
Travelling and conveyance	7,68,67,169	3,96,80,529
Advertisement and sales promotion	93,27,997	91,73,064
Professional fees (Refer Note No. 26.2 below)	49,77,375	43,78,045
Consultancy fees	15,37,86,927	9,52,00,362
Directors Sitting Fees	40,000	40,000
Software License	87,01,420	72,78,836
Information systems expenses	65,44,662	24,51,299
Management Fees	40,97,775	-
Printing and stationary	5,34,708	3,28,050
Communication and internet expenses	45,43,172	39,30,301
Recruitment and training charges	58,12,405	36,93,151
Security expenses	14,73,759	12,61,776
Miscellaneous expense	5,37,355	3,80,857
	33,80,95,458	20,05,58,125
Less: Other expenses transferred to project cost	(8,79,99,776)	(2,02,07,897)
Less: Employee benefit expenses transferred to work-in-progress	(3,42,00,134)	(5,94,71,377)
	21,58,95,547	12,08,78,851

26.1 Expenditure on Corporate Social Responsibility:

Pursuant to the requirement of section 135 of the Companies Act 2013 ("the Act") and rules made thereunder, a corporate social responsibility (CSR) committee ("the Committee") has been formed, considering the limitation of time and subsequent development on account Covid pandemic, the Committee could not adequately identify the eligible projects for this purpose and accordingly, the Company could not spent any amount towards CSR related activities during the year. The Company proposes to spend the unspent amount of Rs.5,42,057 on the eligible activities covered under schedule VII of the Act during the financial year 2020-21.

26.2 Auditors' Remuneration (excluding taxes)

for Statutory audit,	7,90,000	6,60,000
for Tax audit,	2,80,000	2,40,000
for Transfer pricing audit,	-	80,000
for Audit under Goods and Service Tax laws,	1,35,000	-
for other taxation matters,	1,86,000	90,000
for reimbursement of expenses;	4,204	4,000
	13,95,204	10,74,000

This space has been intentionally left blank

27 Basis for consolidation

The financial statements of the subsidiary company used in the consolidation is drawn up to the same reporting date as that of the Parent. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21 - "Consolidated Financial Statements" and Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financials statements have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- b. Goodwill represents the difference between the cost to the parent company of its investment in the subsidiary and the parents portion of the equity/ networth of the subsidiary company at the date on which investment in the subsidiary company is made. For this purpose, the parent company's share of networth of the subsidiary company is determined on the basis of the financial statements of the subsidiary company on the date of acquisition of controlling stake. On further investment in the associate Company, the carrying amount of the investment in associate is not adjusted by the share of net profits / losses in the Consolidated Balance Sheet as the net carrying amount after considering the provision for diminution in the value of investment in that associate was Nil. The said provision is presently reduced from the Goodwill on Consolidation. Goodwill arising on consolidation is not amortised, but it is tested for impairment annually as per the requirements of AS 21 - Consolidated Financial Statement.
- c. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances in the same manner as the Company's separate financial statements.
- d. The particulars of the subsidiary considered in the consolidated financial statements pursuant to As 21 is as under:

Name of the Company	Status of audit	% Voting power	% Voting power
		31 March 2020	31 March 2019
Silver Software Development Centre Private Limited, India	Audited	99.9996%	99.9996%

28 Contingent Liabilities & Commitments

31 March 2020 31 March 2019

28.1 Contingent liabilities not provided for:

- | | | | |
|---|---|-------------|-------------|
| a. | Bond (B-17) executed in favour of and furnished to the Customs Department [against which the Company has executed bank guarantee of Rs.2,08,750 (2019: Rs.2,08,750)] | 41,75,000 | 41,75,000 |
| b. | The Income Tax department has not accepted the transfer price adopted by the Company and has made an adjustment to the prices charged by the Company to its holding company. This has resulted in a tax demand for the Assessment year 2010-11 which is disputed by the company. The H'ble Income Tax Appellate Tribunal ("ITAT") has remanded the matter back to the Assessing Officer for making a finding afresh. In the opinion of the Management, the Assessing Authority has not given effect as per the directions in the order of the H'ble ITAT. Hence the company has filed on appeal before the Commissioner of Income Tax (Appeals) against the said order of the Assessing Authority. The Commissioner (Appeals) has remanded the case to TPO for reconsideration. The management is confident that there will not be any Transfer Pricing adjustment on completion of the appeal proceedings. | 2,15,99,220 | 2,15,99,220 |
| <i>The Company has paid Rs.25,00,000 against the above demand under protest and further the Department has adjusted tax refunds of other years aggregating to Rs. 2,45,51,934 against this demand, which also includes excess adjustment of Rs.54,52,714 against which the Company is in the process of filing rectification. (2019:Payment made under protest Rs.25,00,000 and tax refunds adjustment of other years Rs.94,13,540)</i> | | | |
| c. | Demand as per Central Processing Center website of Income Tax Department for assessment year 2009-10 which company is in the process of filing rectification. | 59,859 | 59,859 |
| d. | Demand of short deduction and Interest for defaults under section 201 of Income Tax Act, 1961 as per Traces portal of Income Tax Department against which company is in the process of filing rectification. | 70,054 | 2,45,539 |
| e. | Dispute service tax dues on account of irregular availment of Cenvat credit of service tax was settled by the Company under Legacy Dspute Resolution Scheme on payment of Rs.2,28,140 during financial year 2019-20. | - | 7,60,465 |

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

- f. Estimated liability under Payment of Bonus Act, 1965 consequent to retrospective amendment relating to the year 2014-15, Rs. 2,15,000/- has not been provided for, as application of the same has been stayed by the Hon'ble High Court of Karnataka and some other High Courts.

28.2 There were no contracts remaining to be executed on capital account as at the year end. (2019: Nil)

29 Foreign Exchange exposure not hedged by derivatives instruments or otherwise.

Particulars	As at 31 March 2020			As at 31 March 2019		
	Conv. Rate	In FC	In Rs.	Conv. Rate	In FC	In Rs.
Receivables						
USD *	75.66	13,29,653.16	10,06,08,073	70.16	3,94,568.44	2,76,83,538
EURO	82.90	8,25,032.15	6,83,93,928	77.72	3,58,589.80	2,78,69,172
GBP	93.52	16,704.82	15,62,226	90.55	25,916.86	23,46,767
Payables						
USD	75.66	47,724.48	36,11,070	70.16	3,000.00	2,10,485
EURO	82.90	15,96,808.17	13,23,73,002	77.72	8,97,232.91	6,97,32,000
ZAR	4.23	17,929.60	75,797	-	-	-
GBP	-	-	-	90.55	9,591.12	8,68,475
Balance held with Bank in EEFC account						
USD	75.66	4,53,393.10	3,43,05,944	-	-	-
GBP	-	-	-	90.55	36.00	3,259.80
EURO	82.90	63,454.87	52,60,314	-	-	-
Cash in hand						
GBP	93.52	36.00	3,367	90.55	36.00	3,259.80
CNY	-	-	-	10.31	2,300.00	23,708.33
ILS	21.25	8.20	174	18.75	8.20	153.75
USD	75.66	50.00	3,783	-	-	-
EURO	82.90	328.70	27,249	77.72	91.00	7,072.43

* Includes receivables in convertible foreign currency from a domestic customer Rs. 69,60,503/- (2019:Rs.2,06,67,000/-)

Note: Receivables does not include unbilled revenue Rs.4,80,65,862/- (2019: Rs.2,31,87,218/-)

- 30 In the opinion of the Board of Directors of the Company none of the assets have a value lower on realisation in the ordinary course of business than the amount at which they are stated in the financial statements. Account balances of most of the borrowings, trade receivables, trade payables, loans and advances are subject to confirmation / reconciliation. The Company is in the process of reconciling balances with its fellow group entities. Amounts specifically identified and agreed upon by the parties based on the documents/ information furnished to the Company has been accrued in the financial statements. The balance amount, if any, will be accounted on completion of the reconciliation exercise, which is under process. The Management does not expect any material adjustment on completion of this exercise and hence no provision is considered necessary at this stage.

31 Taxation

a. Income Tax:

Provision for income tax has been made in the books of account on the basis of tax estimated in pursuance of tax laws prevalent in India. The Holding Company has been able to fully set-off its past business losses & unabsorbed depreciation and is reasonably certain of realisation of the other deferred tax assets and accordingly deferred tax asset (net) as at 31 March 2020 of Rs.2,68,64,404 has been recognised.

b. Transfer Pricing

The Management is of the view that its international transactions are at arm's length. For the tax year ended 31 March 2020, the Company will carry out and complete a study within the stipulated date to comply with the Transfer pricing regulations. The parent Company does not envisage any adjustment particularly on the amount of tax expense and that of provision for taxation, arising out of this study as conditions required under the said regulations will be met.

32 Employee Benefits

32.1 Defined Contribution Plans

During the year, the Company has recognized the following amount in the profit and loss statement

Particulars	31 March, 2020	31 March, 2019
Contribution to provident and other funds	1,83,90,998	1,25,88,044
Social Security contribution in respect of on employee based outside India	16,05,790	-

32.2 Defined Benefit Plan and other long term benefit obligation

a. Gratuity

The Company provides for gratuity, a defined benefit obligation, to its employees. The plan provides payment to employees at retirement or termination of employment, an amount based on the respective employee's last drawn salary and years of employment with the Company. The measurement of such obligation is based on actuarial valuation as at the balance sheet date carried out by an independent actuary under the projected unit credit method. The employee's gratuity is an unfunded obligation.

b. Compensated Absences

The Company provides for accumulation of compensated absences by its employees. These employees can carry forward the unutilized compensated absences and utilize it in future periods as per the Company policy. The measurement of such obligation is based on actuarial valuation as at the balance sheet date carried out by independent actuary under the projected unit credit method. These are unfunded obligations of the company.

c. The principal actuarial assumptions used in the valuation of the above liabilities are as follows:

Actuarial Assumptions	Gratuity		Long Term service Award		Compensated Absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount Rate (Per Annum)	6.30%	7.60%	6.30%	7.60%	6.30%	7.60%
Salary escalation rate*	7.5%	7.5%	-	-	7.5%	7.5%
Attrition Rate	1-15%	1-15%	1-15%	1-15%	1-15%	1-15%
Retirement Age*	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years

* Mortality as per Indian Assured Lives Mortality (2012-14) (Ultimate)

d. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

e. The above disclosures are as per valuation reports issued by an independent actuary.

f. The details of the movement in benefit obligation is given below:

Particulars	Gratuity		Compensated Absences	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Benefit obligation at the beginning	3,32,71,622	2,87,45,003	97,25,484	94,21,332
Past Service cost	-	-	-	-
Current service cost	50,77,611	44,52,178	24,16,673	20,87,341
Interest expense	23,78,875	21,89,460	6,68,518	6,91,274
Benefits Paid	(39,41,266)	(13,50,007)	(18,58,401)	(11,17,679)
Actuarial (gain) / losses recognised	23,16,093	(7,65,012)	20,27,344	(13,56,784)
Benefit obligation at the end	3,91,02,935	3,32,71,622	1,29,79,618	97,25,484

g. Classification of above obligation :

Particulars	Gratuity		Compensated Absences	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Benefit obligation at the beginning				
Non-current portion	3,69,89,490	3,08,09,476	1,07,88,133	79,31,878
Current portion	21,13,445	24,62,146	21,91,485	17,93,606
Closing defined benefit obligation	3,91,02,935	3,32,71,622	1,29,79,618	97,25,484

h. The details of the amount recognised in the Profit and loss statement is given below:

Particulars	Gratuity		Compensated Absences	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Current Service Cost	50,77,611	44,52,178	24,16,673	20,87,341
Past Service cost	-	-	-	-
Interest Cost	23,78,875	21,89,460	6,68,518	6,91,274
Actuarial recognition of (gain) / losses	23,16,093	(7,65,012)	20,27,344	(13,56,784)
Benefit cost for the year end	97,72,579	58,76,626	51,12,535	14,21,831

i. Experience adjustment (Gratuity) - unfunded:

Particulars	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
Present value of benefit obligation - unfunde	3,91,02,935	3,32,71,622	2,87,45,003	2,91,75,597	2,61,77,288
Experience (Gain)/ Loss on plan liabilities	(16,39,173)	(14,39,592)	(17,25,487)	(12,19,086)	58,09,949

33 Related Party Disclosure:**33.1 Related Parties and the nature of their relationship with the Company:****a. Parties exercising significant control over the Company:**

S.No	Name of the Related Party	Nature of Relationship
1	Silver Atena Limited, UK	Holding company
2	Expleo SASU, France	Holding company of Company referred in SI.No.(1)
3	Expleo Services SASU, France	Holding company of Company referred in SI.No.(2)
4	Expleo Group SAS, France	Ultimate Holding company of Company referred in SI.No.(3).

b. Parties with whom there were transactions during the year

S.No	Name of the Related Party	Nature of Relationship
1	Assystem SA, France	Associate Company
1	Expleo France SASU, France	Fellow Subsidiaries
2	Expleo Engineering UK Limited, United Kingdom	Fellow Subsidiaries
3	Expleo Germany GmbH, Germany	Fellow Subsidiaries
4	Expleo Regions SASU, France	Fellow Subsidiaries
5	Expleo Engineering India Private Limited, India	Fellow Subsidiaries
6	Expleo Talent International Management SA , Switzerland	Fellow Subsidiaries
7	Expleo Canada Inc., Canada	Fellow Subsidiaries
8	Expleo Plastic Solutions, France	Fellow Subsidiaries
9	Expleo International SASU, France	Fellow Subsidiaries
10	Expleo India Infosystems Private Limited, India	Fellow Subsidiaries
11	Expleo Solutions Limited, India	Fellow Subsidiaries
12	Expleo South Africa International Pty Ltd, South Africa	Fellow Subsidiaries
13	Expleo Technology Egypt	Fellow Subsidiaries
14	Expleo Technology Germany GmbH, Germany	Fellow Subsidiaries
15	Expleo Romania S.R.L., Romania	Fellow Subsidiaries
16	Expleo Technology Ireland Limited, Ireland	Fellow Subsidiaries

c. Key Management Personnel

S.No	Name of the Related Party	Nature of Relationship
1	Mr. David Christopher Caunce	Director
2	Mr. Venkataramana Mantha	Director
3	Mr. Prashant Eknath Bramhankar	Director (Appointed w.e.f. 04 May 2020)
4	Mr. Abhijit Mukund Atre	Director (Appointed w.e.f. 04 May 2020)
5	Mr. Michael John Sheehan	Director (Resigned w.e.f. 04 May 2020)
6	Mr. Sunil Kumar Behara	Director (Resigned w.e.f. 04 May 2020)

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
CIN:U72900KA2008FTC046904
NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

33.2 Transactions with related parties during the year:

S.No	Name of the Related Party	31 March, 2020	31 March, 2019
1	Sale of Services (Including unbilled Revenue)*		
	Expleo France SASU, France	9,68,03,173	3,72,96,161
	Expleo Engineering UK Ltd, UK	1,36,68,188	12,02,21,686
	Expleo Regions, France	1,09,51,050	-
	Expleo Germany GmbH, Germany	99,68,829	41,63,055
	Expleo Plastic Solutions, France	1,58,56,660	3,26,27,024
	Expleo Talent International Management SA , Switzerland	9,13,244	1,40,36,057
2	Income from allowing the use of Infrastructure facility (Including unbilled Revenue) *		
	Expleo Solutions Limited	19,20,000	10,52,450
	Expleo India Infosystems Private Limited (Other Income)	88,272	-
3	MPLS Connectivity charges (communication & internet expenses)		
	Expleo France SASU, France	12,52,489	5,48,201
4	Mail Services		
	Expleo France SASU, France	15,33,649	-
5	Loan received		
	Expleo India Infosystems Private Limited	9,00,00,000	-
6	Repayment of Loan		
	Expleo India Infosystems Private Limited	3,00,00,000	-
	Expleo International SASU, France	81,14,000	80,29,441
7	Interest on Loan paid/ Payable		
	Expleo India Infosystems Pvt Ltd	45,25,685	-
	Expleo International SASU, France	1,79,718	2,57,934
8	Payment Towards Aviation/Product Liability Insurance		
	Expleo Group SAS, France	7,05,054	3,05,210
9	Information systems expenses		
	Expleo France SASU, France	4,26,513	2,89,111
10	IT Shared Services		
	Expleo France SASU, France	24,13,999	-
	Expleo South Africa International Pty Ltd	94,746	-
	Expleo Technology Germany GMBH	2,54,084	-
11	Rent Received		
	Expleo Engineering India Pvt. Ltd., India	24,000	24,000
12	Professional consultancy charges (including year-end accruals and amounts included under WIP)		
	Expleo France SASU, France	5,70,25,941	5,86,53,952
	Expleo Romania S.R.L	7,45,229	-
	Expleo Engineering UK Ltd, UK	-	4,51,903
	Expleo India Infosystems Pvt Ltd	1,39,46,784	3,44,736
13	Professional Fees QMS		
	Expleo France SASU, France	5,10,183	-
14	Training & Development Expenses		
	Expleo France SASU, France	85,237	2,28,821
	Expleo Services SASU, France	31,650	-
	Expleo Technology Ireland Ltd	-	2,40,216
15	Interest on deposits of the related entity credited to the account of Company		
	Expleo Engineering India Pvt. Ltd., India	2,59,872	2,58,000
16	Expense paid on behalf of related entity		
	Expleo Engineering India Pvt. Ltd., India	1,160	3,000
	Silver Software Development Centre Private Limited, India	1,160	3,000
17	Travel Expenditure (includes reimbursements)		
	Expleo Technology UK Limited	18,102	-
	Expleo Technology Egypt	26,833	-
	Expleo India Infosystems Pvt Ltd	1,58,371	-
	Expleo France SASU, France	7,10,458	-
	Expleo Romania S.R.L - Provision	1,71,618	-
18	Information systems expenses		
	Expleo Plastic Solutions	46,22,892	-

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
CIN:U72900KA2008FTC046904
NOTES FORMING AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

Transactions with related parties during the year (Contd)

S.No	Name of the Related Party	31 March, 2020	31 March, 2019
19	Recruitment Expenses (including Portal) Expleo Services SASU, France Expleo India Infosystems Pvt Ltd Expleo Technology Germany GmbH	5,54,839 1,35,000 1,92,151	- - -
20	Management Fees Expleo Services SASU, France	40,97,775	-
21	Remuneration Mr. Venkataramana Mantha Basic Pay Allowances Company's share of Contribution towards Provident fund Mr. Sunil Kumar Behara Directors Sitting Fees	29,59,483 48,38,930 3,55,138 40,000	27,25,125 44,75,129 3,27,015 40,000

33.3 Balances with related party as at the year end:

S.No	Name of the Related Party	31 March, 2020	31 March, 2019
1	Provision for diminution in the value of investment in subsidiary Silver Software Development Centre Private Limited	2,43,69,522	26,000
2	Other Receivables Expleo India Infosystems Private Limited, India	1,02,600	-
3	Unbilled revenue Expleo Engineering UK Ltd, UK Expleo Solutions Limited Expleo Plastic Solutions, France Expleo Regions SASU, France Expleo France SASU, France Expleo Germany GmbH	76,92,741 - - 1,36,855 55,28,256 43,92,382	46,49,244 3,20,000 3,11,653 - -
4	Trade Receivables (Excluding unbilled revenue) Expleo Engineering UK Ltd, UK Expleo France SASU, France Expleo Germany GmbH, Germany Expleo Regions SASU, France Expleo Talent International Management SA , Switzerland Expleo Plastic Solutions, France Expleo Solutions Limited	26,43,481 1,97,16,651 2,91,415 21,25,476 - - 1,72,800	42,31,941 78,20,334 9,89,985 12,20,693 10,51,163 80,14,072 8,01,693
5	Loan including interest accrued Expleo India Infosystems Private Ltd. India - Intercompany Loan Expleo International SASU, France - External Commercial Borrowings	6,40,73,116 1,26,99,713	- 1,96,34,973
6	Other Payables Expleo Engineering India Pvt. Ltd., India	4,13,338	1,82,946
7	Employee dues Mr. Venkataramana Mantha - Director	-	4,98,522
8	Trade Payables Expleo France SASU, France Expleo Group SAS, France Expleo Engineering UK Limited, UK Expleo Services SASU, France Expleo India Infosystems Pvt Ltd. Expleo South Africa International Pty Ltd Expleo Technology Egypt Expleo Technology Germany GmbH Expleo Plastic Solutions, France Expleo Romania S.R.L, Romania Assystem SA, France Expleo Technology Ireland Ltd, Ireland	10,74,62,517 7,42,785 - 42,84,048 1,29,69,541 75,797 26,833 4,01,208 48,61,036 9,51,213 - -	4,91,20,351 - 4,08,453 7,06,802 3,72,314 - - - - - - 36,691 2,33,157

33.4 Expenses provided towards Gratuity, Compensated absences and Loyalty is determined actuarially on an overall company basis at the end of each year and accordingly has not been considered in the above information. Similarly Group insurance is also not included above.

33.5 Expleo Group SAS, France has provided Bank Guarantee Rs.5,00,00,000 (2019:Rs.5,00,00,000) for the bank facility availed by the company. The group company does not intends to charge any amount towards this facility given and accordingly not accruals have been made in the books.

34 Other disclosures pursuant to schedule III of the Companies Act, 2013:

34.1	Earnings in Foreign Currency (accrual basis)	31 March, 2020	31 March, 2019
	Export of Services*	45,34,34,436	34,70,39,133
	Sale of Products (sale to to domestic party receivable/ received in foreign currency)	20,54,01,131	5,73,71,017
	* Includes sales to domestic party receivable/ received in foreign currency	5,51,85,229	5,98,03,000
	* Include unbilled revenue	4,80,65,862	2,31,87,218
34.2	Expenditure in Foreign Currency: (accrual basis)	31 March, 2020	31 March, 2019
	Salary & Employee benefits	8,01,78,261	-
	Travelling expenses	3,69,09,343	2,13,18,148
	Overseas Employee Medical Insurance	11,82,768	-
	Visa and Other Expenses	2,47,75,647	-
	Software licenses (repairs & maintenance)	52,03,248	18,35,457
	MPLS Connectivity charges (communication & internet expenses)	12,52,489	6,17,610
	Interest on external commercial borrowings	1,79,718	3,80,573
	Business Consultancy (advertisement & sales promotion)	83,81,805	45,78,979
	Professional consultancy charges (includes Rs.3,42,00,135 (2019: Rs.3,44,30,532) carried under WIP as at the year end)	8,01,14,267	5,97,71,169
	Professional fees - others	1,10,06,952	7,38,61,556
	Information systems expenses	31,89,341	2,66,895
	Management Fees	40,97,775	-
	Others	40,43,241	13,68,254
	Total	26,05,14,855	16,39,98,641

35 Impact of Novel Coronavirus (COVID-19) pandemic:

The outbreak of the Pandemic and the resulting travel bans, quarantines, social distancing, and restrictions on supply of non-essential services/ goods have triggered disruptions to business and had resulted in short term impact on the Company's revenue and slow progress in project execution, this has recovered gradually thereafter. During the nationwide compulsory lockdown, the company has ensured business continuity by allowing its employees to work remotely from their homes and continuing to provide the uninterrupted services to its customer.

The Company has considered the possible effects that may arise out of the COVID-19 pandemic on the carrying amounts of property, plant & equipment, trade receivables, investments, inventories, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including economic forecasts etc. Based on the current estimates, the Company does not expect any prolonged significant impact on such carrying values and expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable and that no further provision/ adjustment is required at this stage.

The Company has considered present impact of COVID-19 to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Management will continue to monitor any events/changes to future economic conditions. The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

