

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

Particulars	Note No.	As at	
		31 March 2020	31 March 2019
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	14,03,97,780	14,03,97,780
Reserves and surplus	4	6,32,11,684	2,26,800
		20,36,09,464	14,06,24,580
Non-Current Liabilities			
Long-term borrowings	5	41,44,925	1,16,57,830
Long-term provisions	6	5,63,72,000	4,75,61,660
		6,05,16,925	5,92,19,490
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		15,89,25,946	7,16,64,750
Other current liabilities	9	20,46,77,476	7,34,01,737
Short-term provisions	10	67,49,030	63,87,502
		43,03,52,452	15,16,73,584
TOTAL		69,44,78,841	35,15,17,654
ASSETS			
Non-Current Assets			
Fixed Assets			
Property, plant and equipments	11	1,94,34,861	1,95,70,898
Intangible assets		6,17,79,670	1,29,32,222
Non-current investments	12	-	2,49,73,900
Deferred tax asset (net)	13	2,68,64,404	-
Long-term loans and advances	14	13,59,36,004	9,29,86,348
Other non current assets	15	13,45,237	11,85,879
		24,53,60,175	15,16,49,247
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	4,19,44,609	33,44,541
Short-term loans and advances	19	5,92,78,763	1,27,09,014
Other current asset	20	7,33,43,788	4,01,62,162
		44,91,18,666	19,98,68,407
TOTAL		69,44,78,841	35,15,17,654

Corporate Information and Significant Accounting Policies

1 & 2

The accompanying notes forming an integral part of the financial statements

For and behalf of the Board of Directors of

Expleo Technologies India Private Limited

CIN:U72900KA2008FTC046904

VENKATARAM ANA MANTHA
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Date: 2020.11.06 13:27:03
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VENKATARAMANA MANTHA
Director
DIN:7485325

Place: Bengaluru
Date: 06 November 2020

ABHIJIT MUKUND ATRE
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Date: 2020.11.06
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ABHIJIT MUKUND ATRE
Director
DIN:03338158

Place: Pune
Date: 06 November 2020

PRASHANT EKNATH BRAMHANKAR
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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
c=INDIA, email=Srinivas.K.P@varmaandvarma.com

K P SRINIVAS
Partner
M No. 208520

Place: Bengaluru
Date: 06 November 2020

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
STANDALONE 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	1,76,59,534	25,31,912
		93,63,35,375	60,25,28,053
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	21,63,63,935	12,06,74,153
		88,79,59,703	54,05,24,460
Profit before tax		4,83,75,672	6,20,03,593
Tax Expense for the year:			
Current tax		1,22,55,193	1,20,20,290
Deferred tax expense/(credit) [Refer Note 13]		(2,68,64,404)	-
		(1,46,09,211)	1,20,20,290
Profit for the year after tax expense		6,29,84,883	4,99,83,303
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.)		4.49	3.56

Corporate Information and Significant Accounting Policies

1 & 2

The accompanying notes forming an integral part of the financial statements

For and behalf of the Board of Directors of

Expleo Technologies India Private Limited

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Director

DIN:7485325

Place: Bengaluru

Date: 06 November 2020

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Director

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Director

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Date: 06 November 2020

As per our report of even date

For VARMA & VARMA

Chartered Accountants

FRN 004532S

Srinivas K
P

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K P SRINIVAS

Partner

M No. 208520

Place: Bengaluru

Date: 06 November 2020

**EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED
STANDALONE 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	4,83,75,672	6,20,03,593
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 diminution in the value of investment in subsidiary	2,49,73,900	-
Interest Income	(1,90,436)	(98,000)
Interest Expenses	47,83,346	2,57,934
Operating Profit before Working Capital Changes	9,81,11,179	7,76,59,564
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	(6,82,32,632)	(21,73,125)
Other assets	(3,31,81,626)	(1,42,91,534)
Trade payables	8,72,61,196	1,57,94,000
Provisions	91,71,868	55,40,000
Other liabilities	13,77,88,400	(41,08,300)
Cash generated from operations	10,00,19,569	2,05,61,771
Less: Income tax paid/ Tax deducted at source	(3,35,41,966)	(2,68,70,675)
Net cash from (used) in operating activities (A)	6,64,77,603	(63,08,904)
Cash flow from investing activities :		
Purchase of property, plant and equipment & Intangible assets	(6,89,14,226)	(98,59,410)
Interest received	31,078	1,48,534
Net Cash used in investing activities (B)	(6,88,83,148)	(97,10,876)
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	(69,62,207)	(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)	4,10,04,241	(80,67,780)
Net increase in Cash and Cash Equivalents (A+B+C)	3,85,98,696	(2,40,87,560)
Cash and cash equivalents as at the beginning of the year (Refer Note 18)	33,44,541	2,74,15,883
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)	4,19,44,609	33,44,541

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

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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, o=VARMA & VARMA, email=srinivas@varma.com, c=IN, postalCode=560018, st=Karnataka, serialNumber=92758232, cn=Srinivas, K P
Date: 2020.11.06 15:54:53 +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 Financial Statements

These 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 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 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 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 financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Cash Flow

The 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 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
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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 shares 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 books and 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	2,26,800	(4,97,56,503)
Profit for the year	6,29,84,883	4,99,83,303
Surplus - as at the end of the year	6,32,11,684	2,26,800

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE 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
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NON-CURRENT LIABILITIES

5 Long-term borrowings

Unsecured

External commercial borrowings from related party (refer note 5.1 & 29)

41,44,925	1,16,57,830
41,44,925	1,16,57,830

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 31)

Gratuity

3,69,89,490	3,08,09,476
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Compensated absences

1,07,88,133	79,31,878
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Long term service award

59,33,172	63,82,367
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Others:

Rent Equalisation Account

26,61,205	24,37,939
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5,63,72,000	4,75,61,660
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CURRENT LIABILITIES

7 Short Term Borrowings

Overdraft Facility - Secured (refer note 7.1)

-	2,19,595
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Inter-Corporate loan from related party - Unsecured (refer note 7.2 & 29)

6,00,00,000	
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6,00,00,000	2,19,595
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- 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 was 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 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 (refer note 8.2 & 29)	13,17,74,978	5,08,77,968
Dues to creditors other than micro and small enterprises (refer note 29)	2,71,50,968	2,07,86,782
	15,89,25,946	7,16,64,750
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	9,41,48,207	98,82,953
Employee dues (refer note 9.1)	1,52,29,184	63,90,232
Statutory dues	2,62,92,466	2,68,37,917
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 29)	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
	20,46,77,476	7,34,01,737
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 31)		
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 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	As at 01 April 2019	For the year	As at 31 March 2020		
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)	1,45,23,117 (1,28,00,845)	29,19,562 (17,22,272)	1,74,42,678 (1,45,23,117)	- -	1,06,61,242 (49,14,070)
Vehicles	24,67,066 (23,97,611)	(69,455)	24,67,066 (24,67,066)	24,02,340 (23,89,872)	6,963 (12,468)	24,09,302 (24,02,340)	- -	57,764 (64,726)
Office equipment	50,23,094 (47,35,651)	1,03,587 (2,87,443)	51,26,681 (50,23,094)	42,28,826 (34,32,214)	2,84,059 (7,96,612)	45,12,884 (42,28,826)	- -	6,13,797 (7,94,268)
Furniture & Fittings	24,61,889 (24,55,109)	(6,780)	24,61,889 (24,61,889)	10,89,191 (8,74,739)	2,27,058 (2,14,452)	13,16,249 (10,89,192)	- -	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)	1,87,13,162 (1,32,29,197)	55,24,769 (54,83,965)	2,42,37,930 (1,87,13,162)	- -	69,56,418 (1,24,25,136)
TOTAL	6,05,27,533	88,26,371	6,93,53,905	4,09,56,635	89,62,409	4,99,19,044	-	1,94,34,861
Previous year	(5,71,56,069)	(33,71,464)	(6,05,27,533)	(3,27,26,867)	(82,29,769)	(4,09,56,636)	-	(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	As at 01 April 2019	For the year	As at 31 March 2020		
Software	3,58,46,984 (2,93,59,038)	6,00,87,855 (64,87,946)	9,59,34,839 (3,58,46,984)	2,29,14,762 (1,49,88,017)	1,12,40,407 (79,26,745)	3,41,55,169 (2,29,14,762)	- -	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	18,95,47,794	6,00,87,855	24,96,35,649	2,29,14,762	1,12,40,407	3,41,55,169	15,37,00,810	6,17,79,670
Previous year	(18,30,59,848)	(64,87,946)	(18,95,47,794)	(1,49,88,017)	(79,26,745)	(2,29,14,762)	(15,37,00,810)	(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 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 Trade Investments (unquoted)		
Investment in equity instruments - fully paid	2,49,99,900	2,49,99,900
Provision for diminution in the value of investment in subsidiary (Refer Note 12.2)	(2,49,99,900)	(26,000)
	<u>-</u>	<u>2,49,73,900</u>
12.1 Details of Trade Investments		
<i>Investment in equity instrument of a subsidiary company</i>		
Silver Software Development Centre Private Limited		
249,999 (2019: 249,999) equity shares of Rs.100 each	2,49,99,900	2,49,99,900
Share holding in percentage	99.9996%	99.9996%
12.2 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 investment in the subsidiary.		
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	1,88,89,111	-
	<u>2,68,64,404</u>	<u>-</u>
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	4,000	4,000
	<u>1,13,49,930</u>	<u>1,13,49,930</u>
14.2 Others		
Advance tax, net of provisions (refer note 27 & 29)	6,94,97,405	4,82,10,632
Goods and Service Tax Input Credit (refer note 14.3)	4,79,38,192	2,43,36,613
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)	23,79,000	23,79,000
	<u>12,45,86,074</u>	<u>8,16,36,418</u>
	<u>13,59,36,004</u>	<u>9,29,86,348</u>
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).		

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE 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
15 Other non-current assets		
<i>Unsecured, considered good</i>		
Others		
Fixed deposits held with bank	13,45,237	11,85,879
	13,45,237	11,85,879
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.		
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 are held with third party (sub-contractors) and are subject to confirmation.		
17 Trade Receivables (refer note 29)		
<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	19,65,13,505	5,49,21,647
	20,91,58,567	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	2,49,49,823	2,41,29,881
	2,49,49,823	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)	23,35,376	14,88,192
In EEFC accounts	3,95,66,258	18,10,998
	4,19,44,609	33,44,541

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

NOTES FORMING AN INTEGRAL PART OF THE 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
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 Assystem 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.		
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 & 29)	1,36,080	4,000
	5,81,23,763	1,02,89,014
	5,92,78,763	1,27,09,014
19.3 Receivable from Related party towards rent and expenses;		
Silver Software Development Centre Private Limited, India	33,480	4,000
Expleo India Infosystems Private Limited, India	1,02,600	-
	1,36,080	4,000
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

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EXPLO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

NOTES FORMING AN INTEGRAL PART OF THE 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	97,898
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	48,000	48,000
Miscellaneous Income	3,90,000	6,386
	1,76,59,534	25,31,912
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

EXPLO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

NOTES FORMING AN INTEGRAL PART OF THE 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 diminution in the value of investment in subsidiary (Refer Note 12.2)	2,49,73,900	-
Repairs & maintenance:		
- Building	63,38,005	63,23,502
- Plant & equipment	10,37,339	6,48,577
- Others	2,98,250	3,52,880
Insurance	22,66,455	14,68,563
Rates and taxes	15,00,099	8,82,574
Service tax refund no longer receivable written-off	9,33,520	-
Bank charges	3,37,057	1,98,027
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)	48,41,675	41,76,345
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	5,37,394	3,80,857
	33,85,63,845	20,03,53,427
Less: Other expenses transferred to project cost	(8,79,99,776)	(2,02,07,897)
Less: Other expenses transferred to work-in-progress	(3,42,00,134)	(5,94,71,377)
	21,63,63,935	12,06,74,153

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,	6,90,000	5,60,000
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,	1,76,000	29,000
for reimbursement of expenses;	4,204	4,000
	12,85,204	9,13,000

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

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

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

27 Contingent Liabilities & Commitments **31-Mar-20** **31-Mar-29**

27.1 Contingent liabilities not provided for:

- | | | |
|--|-------------|-------------|
| <p>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)]</p> | 41,75,000 | 41,75,000 |
| <p>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.</p> <p>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)</p> | 2,15,99,220 | 2,15,99,220 |
| <p>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.</p> | 59,859 | 59,859 |
| <p>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.</p> | 39,597 | 2,15,082 |
| <p>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.</p> | - | 7,60,465 |
| <p>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.</p> | | |

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

28 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/-)

29 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.

30 Taxation

a. Income Tax:

The provision for income tax has been recognised in the books of account on the basis of tax estimated in pursuance of tax laws and tax rates prevalent in India. The Company has been able to fully set-off its past business losses and unabsorbed depreciation and is reasonably certain of realisation of the other deferred tax assets and accordingly deferred tax assets (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.

31 Employee Benefits

31.1 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	-

31.2 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

Note: 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

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

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

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

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):

Particulars	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
Present value of benefit obligation - Unfunded	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

32 Related Party Disclosure:

32.1 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 Sl.No.(1)
3	Expleo Services SASU, France	Holding company of Company referred in Sl.No.(2)
4	Expleo Group SAS, France	Ultimate Holding company of Company referred in Sl.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
2	Silver Software Development Centre Private Limited, India	Subsidiary Company
3	Expleo France SASU, France	Fellow Subsidiaries
4	Expleo Engineering UK Limited, United Kingdom	Fellow Subsidiaries
5	Expleo Germany GmbH, Germany	Fellow Subsidiaries
6	Expleo Regions SASU, France	Fellow Subsidiaries
7	Expleo Engineering India Private Limited, India	Fellow Subsidiaries
8	Expleo Talent International Management SA , Switzerland	Fellow Subsidiaries
9	Expleo Canada Inc., Canada	Fellow Subsidiaries
10	Expleo Plastic Solutions, France	Fellow Subsidiaries
11	Expleo International SASU, France	Fellow Subsidiaries
12	Expleo India Infosystems Private Limited, India	Fellow Subsidiaries
13	Expleo Solutions Limited, India	Fellow Subsidiaries
14	Expleo South Africa International Pty Ltd, South Africa	Fellow Subsidiaries
15	Expleo Technology Egypt	Fellow Subsidiaries
16	Expleo Technology Germany GmbH, Germany	Fellow Subsidiaries
17	Expleo Romania S.R.L., Romania	Fellow Subsidiaries
18	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)

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

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

32.2 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 Expleo Engineering UK Ltd, UK Expleo Regions, France Expleo Germany GmbH, Germany Expleo Plastic Solutions, France Expleo Talent International Management SA , Switzerland	9,68,03,173 1,36,68,188 1,09,51,050 99,68,829 1,58,56,660 9,13,244	3,72,96,161 12,02,21,686 - 41,63,055 3,26,27,024 1,40,36,057
2	Income from allowing the use of Infrastructure facility (Including unbilled Revenue) * Expleo Solutions Limited Expleo India Infosystems Private Limited (Other Income)	19,20,000 88,272	10,52,450 -
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 Expleo International SASU, France	3,00,00,000 81,14,000	- 80,29,441
7	Interest on Loan paid/ Payable Expleo India Infosystems Pvt Ltd Expleo International SASU, France	45,25,685 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 Expleo South Africa International Pty Ltd Expleo Technology Germany GMBH	24,13,999 94,746 2,54,084	- - -
11	Rent Received Silver Software Development Centre Private Limited, India Expleo Engineering India Pvt. Ltd., India	24,000 24,000	24,000 24,000
12	Professional consultancy charges (including year-end accruals and amounts included under WIP) Expleo France SASU, France Expleo Romania S.R.L Expleo Engineering UK Ltd, UK Expleo India Infosystems Pvt Ltd	5,70,25,941 7,45,229 - 1,39,46,784	5,86,53,952 - 4,51,903 3,44,736
13	Professional Fees QMS Expleo France SASU, France	5,10,183	-
14	Training & Development Expenses Expleo France SASU, France Expleo Services SASU, France Expleo Technology Ireland Ltd	85,237 31,650 -	2,28,821 - 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 Silver Software Development Centre Private Limited, India	1,160 1,160	3,000 3,000

EXPLEO TECHNOLOGIES INDIA PRIVATE LIMITED

CIN:U72900KA2008FTC046904

NOTES FORMING AN INTEGRAL PART OF THE 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
17	Travel Expenditure (includes reimbursements) Expleo Technology UK Limited Expleo Technology Egypt Expleo India Infosystems Pvt Ltd Expleo France SASU, France Expleo Romania S.R.L	18,102 26,833 1,58,371 7,10,458 1,71,618	- - - - -
18	Information systems expenses Expleo Plastic Solutions	46,22,892	-
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

32.3 Balances with related party as at the year end:

S.No	Name of the Related Party	31 March, 2020	31 March, 2019
1	Investments (at cost) Silver Software Development Centre Private Limited	2,49,99,900	2,49,99,900
2	Provision for diminution in the value of investment in subsidiary Silver Software Development Centre Private Limited	2,49,99,900	26,000
3	Other Receivables Silver Software Development Centre Private Limited Expleo India Infosystems Private Limited, India	33,480 1,02,600	4,000 -
4	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 - -
5	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
6	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	- 1,96,34,953
7	Other Payables Expleo Engineering India Pvt. Ltd., India	4,13,338	1,82,946
8	Employee dues Mr. Venkataramana Mantha - Director	-	4,98,522

Balances with related party as at the year end (Contd.)

S.No	Name of the Related Party	31 March, 2020	31 March, 2019
9	Trade Payables		
	Expleo France SASU, France	10,74,62,517	4,91,20,351
	Expleo Group SAS, France	7,42,785	-
	Expleo Engineering UK Limited, UK	-	4,08,453
	Expleo Services SASU, France	42,84,048	7,06,802
	Expleo India Infosystems Pvt Ltd.	1,29,69,541	3,72,314
	Expleo South Africa International Pty Ltd	75,797	-
	Expleo Technology Egypt	26,833	-
	Expleo Technology Germany Gmbh	4,01,208	-
	Expleo Plastic Solutions, France	48,61,036	-
	Expleo Romania S.R.L, Romania	9,51,213	-
	Assystem SA, France	-	36,691
	Expleo Technology Ireland Ltd, Ireland	-	2,33,157

32.4 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.

32.5 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.

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

33.1	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

33.2	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

34 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, investments, trade receivables, 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 the pandemic to the extent known and available currently. However, the impact assessment of the pandemic 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 the pandemic on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

35 Internal Control over financial reporting

The Company has a system of evaluation of the internal financial controls over financial reporting and testing of its effectiveness which is based on the policies and procedures of Group suitably modified for the purposes of the Company to the extent considered necessary by the Management having regard the nature, size and operations of the company and also considering the fact that the directors and senior management executives supervise the operations and activities of the company on a day-to-day basis.

In view of the above, we have implemented simple information systems consisting of commercial off-the-shelf software which are extensively used in India with very high level of acceptance in the industry without much customization and modification. The identification of risks, its assessments and controls are not a separate evaluation but an integral part of the processes and procedures which are followed by the company in carrying out its day-to-day business.

The operation of the above controls are being constantly monitored by the Directors and senior management executives and these were found to be operating effectively during the year and at the year-end.

36 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Signatures for all Notes from 1 to 36

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

VENKATARAMANA MANTHA
Digitally signed by VENKATARAMANA MANTHA
Date: 2020.11.06 13:29:51 +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 11:17:15 +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 12:46:32 +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 0045325

Srinivas K P
Digitally signed by Srinivas K P
DN: cn=Srinivas, o=VARMA & VARMA, postalCode=560001, email=Srinivas.K.P@varmaandvarma.com, c=IN

K P SRINIVAS
Partner
M No. 208520

Place: Bengaluru
Date: 06 November 2020