

Unlocking



Grit



LARSEN & TOUBRO INFOTECH LIMITED
SUBSIDIARY COMPANIES

REPORTS AND ACCOUNTS 2019-2020

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LARSEN & TOUBRO INFOTECH GmbH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

Larsen & Toubro Infotech GmbH

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the report and Audited Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS/FINANCIAL HIGHLIGHTS:

Particulars	2019-20	2018-19
	Euro	Euro
Total Income	12,444,332	12,169,245
Total Expenditure	118,36,240	11,501,394
Operating Profit / (Loss)	608,092	667,851
Add: Interest Income	341399	3,447
Less: Finance Costs	689,432	-
Profit / (Loss) before Tax	260,059	671,298
Less: Tax	21,500	(105,451)
Net Profit / (Loss) after Tax	238,559	776,749
Add: Balance b/f from previous year	2,650,135	2,873,386
Balance available for disposal which directors appropriate as follows:		
Dividend	1,600,000	1,000,000
Transfer to Reserves		-
Balance to be carried forward	1,288,694	2,650,135

2. Capital Expenditure:

As at March 31, 2020, the gross fixed and intangible assets including leased Assets, stood at EUR 176,430/- and the net fixed and intangible assets, including leased assets, at EUR 52,512 /-. There was no new Capital Expenditure during the year.

3. State of Company Affairs:

The gross sales and other income for the financial year under review were EUR 12.44 Mn as against EUR 12.17 Mn for the previous financial year registering an increase of 2.2 %. The profit before tax from continuing operations including extraordinary and exceptional items was EUR 0.26 Mn and the profit after tax from continuing operations including extraordinary and exceptional items of EUR 0.24 Mn for the

financial year under review as against EUR 0.67 Mn and EUR 0.78 Mn respectively for the previous financial year.

4. Dividend:

In order to conserve the resources for future business growth, the Directors do not recommend any final dividend for the year. During the year, your Company paid an interim dividend of Euro 1.6 Mn.

5. Reporting of Frauds:

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees.

6. Details of Significant & Material Orders Passed by the Regulators or Courts:

During the year under review, there were no material and significant orders passed by the regulators or courts impacting the going concern status and the Company's operations in future.

7. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

No change in the Board of Directors & Key Managerial Personnel happened during the FY 2019-20.

8. Financial Statements:

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

9. Auditors:

M/s Hubert Jahn Kollegen GMBH are the auditors of the Company. They will continue to be auditors of the Company for the ensuing financial year.

10. Directors Responsibility Statement:

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

11. Acknowledgement

Your Directors acknowledge the invaluable support extended by the Government authorities in Germany and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Place: London

Date: May 14, 2020

Sudhir Chaturvedi
Director

Auditor's Report

as of March 31, 2020

Larsen & Toubro Infotech GmbH München

HUBERT JAHN KOLLEGEN
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

Hubert Jahn Kollegen GmbH
Wirtschaftsprüfungsgesellschaft
Amtsgericht Traunstein HRB 2793
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STEUERBERATER
PLJH Pöhner von Loeben Jahn Huber
Steuerberatungsges. mbH & Co. KG
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Partnerschaft mbB
Steuerberater, Wirtschaftsprüfer
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und

HUBER JAHN
KOLLEGEN S/H/R/D/M
STEUERBERATER 

Steuerberatungsgesellschaft
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A. Assignment

For Larsen & Toubro Infotech GmbH, München

The shareholder of

Larsen & Toubro Infotech GmbH,
München

- authorised signatory hereinafter referred to as "Larsen" as well as the "Company"-

appointed us by the shareholders resolution to audit the financial statements and the accounting records for the year ended March 31, 2020.

The maintenance of the books and records and the preparation of the annual financial statements in accordance with the German Commercial Code (HGB) and the additional regulations of the articles of association are on the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements based on our audit.

We carried out our audit in accordance with the general conditions of assignment for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften of the "Institut der Wirtschaftsprüfer" in Germany e.V. (IDW), dated January 01, 2017 (added in appendix 3). Our responsibility and our liability, especially to third parties, is based on these conditions of assignment.

We report about our audit in accordance with § 321 German Commercial Code (HGB) and in accordance with the reporting standards of IDW PS 450. Our report is directed to the audited Company and consists of a main part, which includes all essential statements summarized and four appendices, which are an essential part of our report.

We certify in accordance with § 321 par. 4 a German Commercial Code (HGB) that we have observed the Audit Independence Rules.

B. General Statements**B.I Situation of the Company**

The Company, as a small company with regard to § 267 par. 1 German Commercial Code used its right to choose according to § 264 par. 1 sent. 4 German Commercial Code and did not prepare a management report. The evaluations of the management about the situation of the Company and the risks of the future development affect disclosure and valuation decisions already within the scope of the preparation of the annual financial statements by the legal representatives. As far as the judgement of the situation of the Company by the legal representatives was considered in the annual financial statements in the form of the audited papers and documents as well as additionally given information we make the following statements:

Within the scope of the audit of the annual financial statements as well as the business situation of the Company we noted no facts which argue against the judgement of the situation of the Company according to the submitted annual financial statements.

C. Repetition of the independent Auditor's opinion

Based on the results of our audit of the financial statements as of March 31, 2020 of Larsen & Toubro Infotech GmbH, München, we render the following report of the independent auditor.

The German version will apply in cases of doubt.

<p><u>Bestätigungsvermerk des unabhängigen Abschlussprüfers:</u></p> <p>An die Larsen & Toubro Infotech GmbH, München</p> <p><u>Prüfungsurteile</u></p> <p>Wir haben den Jahresabschluss der Larsen & Toubro Infotech GmbH, München – bestehend aus der Bilanz zum 31.3.2020 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1.4.2019 bis zum 31.3.2020 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft.</p> <p>Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse</p> <ul style="list-style-type: none"> entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31.3.2020 sowie ihrer Ertragslage für das Geschäftsjahr vom 1.4.2019 bis zum 31.3.2020. <p>Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.</p> <p><u>Grundlage für die Prüfungsurteile</u></p> <p>Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung</p>	<p><u>Report of the independent auditor:</u></p> <p>For Larsen & Toubro Infotech GmbH, München</p> <p><u>Conclusions:</u></p> <p>We have examined the annual financial statement of Larsen & Toubro Infotech GmbH, München, comprising of the balance sheets dated March 31, 2020, the profit and loss calculations for the financial year April 1, 2019 to March 31, 2020 and also the appendices including a description of the accounting and valuation methods used.</p> <p>After examining the relevant documents we are of the opinion that they:</p> <ul style="list-style-type: none"> are in accordance with all significant issues included in the currently valid German regulations governing capital companies and are also in accordance with regulations and general good practice associated with German accountancy. The documents reflect an appropriate picture of the assets and financial situation of the company as of March 31, 2020 and also generated revenue for the financial year April 1, 2019 to March 31, 2020. <p>In accordance with § 322 Abs. 3 Satz 1 HGB, we hereby declare that our examination of the annual financial accounts report has given no grounds for objection and are compliant.</p> <p><u>Basis of Examination Conclusion</u></p> <p>We have conducted our examination of the annual financial accounts according to § 317 HGB, and according to the principles and conventions as defined by the "Institute of Public Auditors". Our responsibility according to these rules and regulations is described in detail in our auditor's report and is to be found in the section "Responsibility of auditors carrying out the audit of annual accounts". We are independent of the company being audited, as required by the German commercial and professional law, and have fulfilled our other various required obligations as detailed in these requirements. We are of the opinion that the information and proof necessary to form a judgement upon the annual financial accounts are sufficient and suitable.</p>
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<p>mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Jahresabschluss zu dienen.</p>	
<p><u>Verantwortung der gesetzlichen Vertreter für den Jahresabschluss.</u></p>	<p><u>Responsibility of the legal representative for the annual financial accounts.</u></p>
<p>Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsgemäßer Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.</p>	<p>The legal representatives are responsible for the compilation of the financial accounts in all significant points and in accordance with valid German commercial rules and regulation applicable to capital companies. The responsibility also ensures that the financial accounts are compiled according to the good practice principles of German accountancy and that they represent a true picture of the revenue, assets, and financial situation of the company. Additionally the legal representatives are responsible for the internal supervision of the observance of German accountancy good practice principles which are required to compile the annual financial accounts which are free of significant false representations, whether by design or accident.</p>
<p>Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.</p>	<p>With the compilation of the annual financial accounts the legal representatives have the responsibility to enable the company to assess the ability of the company to continue with their business. Additionally they have the responsibility to declare pertinent circumstances relevant to the continuation of the business. The legal representatives are also responsible, based upon accounting standards, to consider the continuation of the business in the balance sheet as long as this does not conflict with actual or legal circumstances.</p>
<p><u>Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses</u></p>	<p><u>Responsibility of the auditors for the auditing of the annual financial accounts.</u></p>
<p>Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Jahresabschluss beinhaltet.</p>	<p>It is our aim to achieve sufficient certainty to ensure that the annual financial accounts are, in their entirety, free of significant false representations, whether by design or accident and to present an audit report which contains our professional opinion to the annual financial accounts. "Sufficient Certainty" is a high standard of certainty however it is not a guarantee. An audit carried out</p>

<p>Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.</p> <p>Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus</p> <ul style="list-style-type: none"> • identifizieren und beurteilen wir die Risiken wesentlicher - beabsichtigter und unbeabsichtigter - falscher Darstellungen im Jahresabschluss, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können. • gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme der Gesellschaft abzugeben. • beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben. • ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungs- 	<p>according to the legislation § 317 HGB and to standards outlined by the "Institut der Wirtschaftsprüfer (Institute of Public Auditors, IDW) known as the German accountancy good practice principles cannot always uncover a significant false representation. False representations can be a result of a violation or an error and are considered significant when it can reasonably be expected that they, either singularly or together, would influence the commercial decisions of the reader of the annual financial accounts.</p> <p>During the audit we exercise a dutiful discretion under the maintenance of a critical attitude. In addition to this:</p> <ul style="list-style-type: none"> • we identify and judge the risks associated with significant deliberate or accidental false representations contained within the annual financial accounts. As a reaction to these risks, we will plan and carry out audit actions which are sufficient and suitable to act as a foundation for our professional opinion. The risk associated with significant false representations which have not been exposed is higher for violations than with errors. This is because violations could imply fraudulent cooperation, falsifications, deliberate incompleteness, misleading presentation of information or the hindrance of internal supervision and monitoring. • we achieve an understanding of the internal supervision and monitoring system relevant to the annual financial accounts. This is done in order to plan audit actions which are relevant to the given situation, however not with the intention of giving an appraisal as to the effectiveness of the company' systems. • we judge the suitability of the accounting methods used by the accountants (legal representatives) and also the tenability of estimated values and correlating declarations used by them. • we draw conclusions as to the suitability of the applied accountancy model used by the accountants to demonstrate the continuation of the
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<p>legungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungs-vermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren.</p> <p>Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.</p> <ul style="list-style-type: none"> • beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. <p>Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.</p>	<p>company business and additionally, based upon knowledge obtained during the audit, whether a significant uncertainty exists, in connection with events or circumstances, which could give rise to a meaningful doubt as to the ability of the company to continue its business. Should we reach the conclusion that a significant uncertainty does exist, we are compelled to include this in the auditor's report quoting the relevant data in the annual financial accounts. Should these details not be appropriate then we will modify the respective audit opinion. We draw our conclusions based upon information and data received up until the date of our auditor's report. Future events or circumstances can however lead to the inability of the company to continue its business.</p> <ul style="list-style-type: none"> • We assess the overall view, the structure and content of the annual financial account inclusive of general information, and additionally as to whether the annual financial accounts reflect the basic business transactions and events in a manner that the annual financial accounts, prepared according to the German accountancy good practice principles, demonstrate the real state of affairs of the company relating to the assets, earnings and financial state. <p>We discuss with those responsible for the supervision amongst other things, the intended scope and scheduling of the audit as well as relevant discoveries including possible shortcomings in the internal monitoring system which we ascertain during the audit.</p>
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Traunstein 14. Mai 2020

Hubert Jahn Kollegen GmbH
Wirtschaftsprüfungsgesellschaft

Matthias Jahn
Wirtschaftsprüfer

D. Subject, character and audit scope

The subject of our audit was the Company's accounting and the financial statements.

The Company is a small sized company in accordance with § 267 par. 1 German Commercial Code (HGB). Therefore the Company is not obliged by applicable law to be audited with regard to § 316 pf. German Commercial Code (HGB). The Company applies the statutory accounting requirements in Germany.

The audit did not extend to the audited company's future prospects nor to the effectiveness and the efficiency of the management.

The audit was carried out in accordance with § 317 German Commercial Code (HGB) and the auditing Standards promulgated in the statement of IDW PS 200 pf. by the German „Institut der Wirtschaftsprüfer“ (IDW). We have audited, whether the regulations of the German Commercial Code and additional regulations of the articles of association of the Company and the regulations and standards of accounting were noticed. The audit covers other regulations only in so far as these regulations contain rules with which the financial statements have to comply. This audit does neither cover any specific information on criminal offences such as breach of public trust or embezzlements nor any offences committed beyond accounting.

The audit was performed by defining an audit strategy, taking a risk-orientated approach. Based on this approach, significant criteria for the determination of audit procedures is the risk of errors and violations of statutory provisions. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures.

On the basis of this determination we have planned our audit procedures.

The effectiveness of the internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. We focused on economic importance of each part of the audit and the type of accounting principles. Because of this assurance of the proper business transactions the scope of the individual audit procedures could be cut down. The audit procedures included plausibility checks and the audit of evidence of individual business transactions.

Provided that materiality limits were not exceeded, no adjustments have been made.

We carried out our audit in April 2020 until May 2020 in our office premises in Traunstein. Our auditor's functions were essentially finished on May 14, 2020.

Our audit was focused on:

- valuation of accruals
- Reconcile and evaluation of trade receivables and trade payables including affiliated companies

We have requested confirmations of affiliated companies concerning trade receivables and trade payables. Amounts due from and to affiliated companies have been agreed upon with the companies concerned.

The cash in banks and liabilities due to banks are in accordance with confirmations and statement of accounts.

Details about the audit scope and methods are included in our working papers.

On May 14, 2020 we received the Letter of Representation by the managing director. In the Letter of Representation the management promised that the bookkeeping contains all assets, liabilities and risks and that the information given to us is complete.

E. Statements and explanation to accounting**E.I Adequacy of the accounting****E.I.1 Accounting and other reviewed documents**

The accounting of the Company including the wage and salary accounting of the reporting year are performed outside by Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, by the use of a data processing program called DATEV.

We have convinced ourselves of the adequacy and procedure of the accounting as a whole and its practical use. The vouchers are orderly and conclusive. Journal and ledger accounts are properly recorded. The accounting records documents handling is in accordance with the general accepted accounting principles. Assets and liabilities were properly proved. When we finished our audit, all accounts were closed.

In the course of our audit and due to the information given to us we did not find any indications that the safety of the data processed for the purposes of accounting is not guaranteed.

E.I.2 Financial statements

The balance sheet as of March 31, 2020 and the profit and loss account for the period from April 1, 2019 to March 31, 2020 were correctly deduced from the accounting. The balance sheet format complies with the German Commercial Code. The assets were proven by balance files, confirmations, correspondences of the Company and other documents.

Pöhner von Loeben Wirtschaftsprüfer audited the financial statements as of March 31, 2019 and supplied it with the auditors' opinion on April 30, 2019. The financial statements as of March 31, 2019 were approved at the shareholders' meeting on May 2, 2019.

The financial statements of Larsen & Toubro Infotech GmbH, München, were prepared in accordance with §§ 242-256 German Commercial Code (HGB) and the complementing regulations of §§ 264-288 German Commercial Code (HGB). Furthermore the regulations in the German GmbH-Law were noticed.

The valuation of assets and liabilities applied to the German Commercial Code. The used accounting and valuation methods are presented in the notes to the financial statements (Appendix 3).

Valuation methods and classifications of the financial statements as of March 31, 2019 are applied. The standards of § 252 of German Commercial Code (HGB) were followed by the Company and the German Accounting Directive Implementation Act.

The notes to the financial statements are in accordance with the applicable law and regulations. The notes to the financial statements especially contain all necessary disclosures, representations, analysis, explanations and reasons with regard to recording methods of the accounting and valuation of the individual items in the balance sheet and profit and loss account as well as the other necessary disclosures. We examined the individual disclosures of the notes to the financial statements within our audit of the individual items in the balance sheet and profit and loss account.

E.II Overall picture conveyed by the financial statements

E.II.1 Result of the financial statements

According to the result of our audit the financial statements, in compliance with generally accepted accounting principles, present an overall true and fair view of its net worth, financial position and results of operations.

E.II.2 Substantial valuation methods

We refer to the notes to the financial statements (Appendix 3)

F. Signature of the audit report

We submit this auditor's report of the financial statements of Larsen & Toubro Infotech GmbH, München, as of March 31, 2020 according to § 321 German Commercial Code (HGB) while considering the generally accepted audit standards (IDW PS 450).

The publication or transfer of the financial statements in a form different from the one we have audited is only permitted after our consent if in the course of doing so reference is made to our audit opinion or audit.

Traunstein, 14 May 2020

Hubert Jahn Kollegen GmbH
Wirtschaftsprüfungsgesellschaft



Matthias Jahn
Wirtschaftsprüfer

Larsen & Toubro Infotech GmbH, München
Profit and loss account from 01.04.2019 until 31.03.2020

Appendix 2
Page 1

	EUR	EUR	previous year TEUR
1. Sales revenues		11.183.713,94	11.653
2. Increase in orders in progress		347.064,51	304
3. Other operating income		<u>913.553,27</u>	<u>212</u>
- of which currency translation gains EUR 102.121,02 (p.y. 62 TEUR)		12.444.331,72	12.169
4. Costs of materials			
b) Costs of purchased services	<u>7.280.232,46</u>	<u>7.280.232,46</u>	<u>-6.405</u>
		5.164.099,26	5.764
5. Personnel expenses			
a) Wages and salaries	3.526.115,31		-3.867
b) social charges	322.669,23		-439
6. Depreciation and write-downs			
a) Amortisation and write-downs of fixed tangible	19.336,79		-18
7. Other operating expenses	<u>687.886,11</u>	<u>-4.556.007,44</u>	<u>-772</u>
- of which expenses translation gains EUR 43.143,36 (p.y. 14 TEUR)		608.091,82	668
8. Other interest and similar income	341.398,97		547
- of which discounting of accruals EUR 335.598,90 (p.y. 544 TEUR)			
- of which from affiliated companies EUR 5.800,07 (p.y. 0 TEUR)			
9. Interest and similar expenses	<u>-689.431,85</u>	<u>-348.032,88</u>	<u>-543</u>
- of which discounting of investments EUR 689.431,85 (p.y. 544 TEUR)		260.058,94	672
10. Taxes on income		<u>-21.500,00</u>	<u>105</u>
11. Result after taxes		238.558,94	777
12. Other taxes		<u>-0,00</u>	<u>-</u>
13. Net income for the year		238.558,94	777

Notes to the financial statements

1. Key figures, Classification, Previous year's figures

The Larsen & Toubro Infotech GmbH – hereinafter referred to as the company – with its seat in München, was founded by notarial record agreement dated June 14, 1999 and has a capital stock of EUR 125.000,00. The Company is registered at the commercial register München (HRB 251462).

The parent company is Larsen & Toubro Infotech Limited with its domicile in Mumbai, India.

Object of the Company is the provision of consulting services in the area of information technology as well as the trade with products and rights of every type, particularly with assets, devices and fittings regarding information technology as well as software.

The company is a small company according to § 267 HGB (German Commercial Code), as the characteristics of size with regard to § 267 par. 1 HGB are not reached. The financial statements are set up according to the HGB and the GmbHG (Limited liability company law).

The structure of the balance sheet and profit and loss summary is according to the regulations of the HGB. The profit and loss account was set up in total expenditure format according to § 275 Abs. 2 HGB. The notes were prepared under consideration of the alleviation of § 288 HGB.

2. Accounting principles and standard of valuation and notes to the financial statements

The applied accounting principles and valuation methods of the annual financial statements are in accordance with §§ 238 ff. HGB as well as with §§ 264 ff. HGB for corporations.

Fixed assets are capitalized at acquisition or production costs less normal depreciation. Moveable assets are depreciated using the straight-line method. Low value items up to EURO 800,00 are completely written-off in their first year.

The financial assets are stated at acquisition costs.

The inventories are evaluated with the original purchase or production costs. As far as there were lower values at the day of the balance sheet, those were stated.

Receivables are stated at nominal value. Receivables denominated in a foreign currency are converted into EURO at the average spot exchange rate at the balance sheet date. Risks on receivables are taken into account by lump-sum valuation adjustments to appropriate extent.

Other assets and liabilities are considered with the nominal face respectively settlement value. Liabilities are stated at their settlement amounts. Liabilities denominated in a foreign currency are converted into EURO at the average spot exchange rate at the date of the balance sheet.

3. Informations on balance sheet and profit & loss account

The investment in affiliated companies is valued at contingent acquisition cost discounted to the value on the acquisition date.

Receivables are all due within one year except an amount of EURO 205.793,16 (prior year: EURO 950.000,00) from affiliated companies

A part of the receivables from affiliated companies belongs to other assets (EURO 205.793,16; prior year: EURO 950.000,00). The receivables from affiliated companies include receivables from shareholder (EURO 0,00; prior year: EURO 440.863,14).

The liabilities to affiliated companies are trade payables. The liabilities to affiliated companies include liabilities to shareholder (EURO 3.004.353,25; prior year: EURO 0,00).

	Remaining term			March 31,
	less than 1 year EURO	1 to 5 years EURO	more than 5 years EURO	2020 Total EURO
Liabilities to banks <i>(prior year)</i>	32,50 <i>0,00</i>	0,00 <i>0,00</i>	0,00 <i>0,00</i>	32,50 <i>0,00</i>
Payments received on account of orders <i>(prior year)</i>	0,00 <i>0,00</i>	16.666,62 <i>0,00</i>	0,00 <i>0,00</i>	16.666,62 <i>0,00</i>
Trade payables <i>(prior year)</i>	92.205,67 <i>84.085,58</i>	0,00 <i>0,00</i>	0,00 <i>0,00</i>	92.205,67 <i>84.085,58</i>
Liabilities due to affiliated companies <i>(prior year)</i>	4.009.019,10 <i>937.344,90</i>	13.477,09 <i>412.069,57</i>	0,00 <i>0,00</i>	4.022.496,19 <i>1.349.414,47</i>
Other liabilities <i>(prior year)</i>	496.316,84 <i>1.014.920,38</i>	0,00 <i>0,00</i>	0,00 <i>0,00</i>	496.316,84 <i>1.014.920,38</i>
<i>(prior year)</i>	4.597.574,11 <i>2.036.350,86</i>	30.143,71 <i>412.069,57</i>	0,00 <i>0,00</i>	4.627.717,82 <i>2.448.420,43</i>

4. Consolidated accounts

The financial statements of the company are included in the consolidated financial statements of Larsen & Toubro Limited, Mumbai (India).

5. Other information

Managing Director:

Ashok Kumar Sonthalia, Managing Director, Mumbai/India
(Power to sole representation, exempt of § 181 BGB)

Sudhir Chaturvedi, Managing Director, Purley/Great Britain
(Power to sole representation, exempt of § 181 BGB)

Satyakanta Samal, Managing Director, Surrey/Great Britain, (since April 2, 2019)

The annual average number of employees was 44.

Proposal for appropriation of profit:

The Management proposes to carry forward the net accumulated profit of EURO 1.288.694,35.

München, May 14, 2020

Larsen & Toubro Infotech
GmbH, München

CEO

<p><u>Bestätigungsvermerk des unabhängigen Abschlussprüfers:</u></p> <p>An die Larsen & Toubro Infotech GmbH, München</p> <p><u>Prüfungsurteile</u></p> <p>Wir haben den Jahresabschluss der Larsen & Toubro Infotech GmbH, München – bestehend aus der Bilanz zum 31.3.2020 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1.4.2019 bis zum 31.3.2020 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft.</p> <p>Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse</p> <ul style="list-style-type: none"> entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31.3.2020 sowie ihrer Ertragslage für das Geschäftsjahr vom 1.4.2019 bis zum 31.3.2020. <p>Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.</p> <p><u>Grundlage für die Prüfungsurteile</u></p> <p>Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung</p>	<p><u>Report of the independent auditor:</u></p> <p>For Larsen & Toubro Infotech GmbH, München</p> <p><u>Conclusions:</u></p> <p>We have examined the annual financial statement of Larsen & Toubro Infotech GmbH, München, comprising of the balance sheets dated March 31, 2020, the profit and loss calculations for the financial year April 1, 2019 to March 31, 2020 and also the appendices including a description of the accounting and valuation methods used.</p> <p>After examining the relevant documents we are of the opinion that they:</p> <ul style="list-style-type: none"> are in accordance with all significant issues included in the currently valid German regulations governing capital companies and are also in accordance with regulations and general good practice associated with German accountancy. The documents reflect an appropriate picture of the assets and financial situation of the company as of March 31, 2020 and also generated revenue for the financial year April 1, 2019 to March 31, 2020. <p>In accordance with § 322 Abs. 3 Satz 1 HGB, we hereby declare that our examination of the annual financial accounts report has given no grounds for objection and are compliant.</p> <p><u>Basis of Examination Conclusion</u></p> <p>We have conducted our examination of the annual financial accounts according to § 317 HGB, and according to the principles and conventions as defined by the “Institute of Public Auditors”. Our responsibility according to these rules and regulations is described in detail in our auditor’s report and is to be found in the section “Responsibility of auditors carrying out the audit of annual accounts”. We are independent of the company being audited, as required by the German commercial and professional law, and have fulfilled our other various required obligations as detailed in these requirements. We are of the opinion that the information and proof necessary to form a judgement upon the annual financial accounts are sufficient and suitable.</p>
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<p>mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Jahresabschluss zu dienen.</p>	
<p><u>Verantwortung der gesetzlichen Vertreter für den Jahresabschluss.</u></p>	<p><u>Responsibility of the legal representative for the annual financial accounts.</u></p>
<p>Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsgemäßer Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.</p>	<p>The legal representatives are responsible for the compilation of the financial accounts in all significant points and in accordance with valid German commercial rules and regulation applicable to capital companies. The responsibility also ensures that the financial accounts are compiled according to the good practice principles of German accountancy and that they represent a true picture of the revenue, assets, and financial situation of the company. Additionally the legal representatives are responsible for the internal supervision of the observance of German accountancy good practice principles which are required to compile the annual financial accounts which are free of significant false representations, whether by design or accident.</p>
<p>Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.</p>	<p>With the compilation of the annual financial accounts the legal representatives have the responsibility to enable the company to assess the ability of the company to continue with their business. Additionally they have the responsibility to declare pertinent circumstances relevant to the continuation of the business. The legal representatives are also responsible, based upon accounting standards, to consider the continuation of the business in the balance sheet as long as this does not conflict with actual or legal circumstances.</p>
<p><u>Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses</u></p>	<p><u>Responsibility of the auditors for the auditing of the annual financial accounts.</u></p>
<p>Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen - beabsichtigen oder unbeabsichtigten - falschen Darstellungen ist, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Jahresabschluss beinhaltet.</p>	<p>It is our aim to achieve sufficient certainty to ensure that the annual financial accounts are, in their entirety, free of significant false representations, whether by design or accident and to present an audit report which contains our professional opinion to the annual financial accounts.</p>

<p>Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungs-mäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.</p> <p>Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus</p> <ul style="list-style-type: none"> • identifizieren und beurteilen wir die Risiken wesentlicher - beabsichtigter und unbeabsichtigter - falscher Darstellungen im Jahresabschluss, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können. • gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme der Gesellschaft abzugeben. • beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben. • ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungs- 	<p>"Sufficient Certainty" is a high standard of certainty however it is not a guarantee. An audit carried out according to the legislation § 317 HGB and to standards outlined by the "Institut der Wirtschaftsprüfer (Institute of Public Auditors, IDW) known as the German accountancy good practice principles cannot always uncover a significant false representation. False representations can be a result of a violation or an error and are considered significant when it can reasonably be expected that they, either singularly or together, would influence the commercial decisions of the reader of the annual financial accounts.</p> <p>During the audit we exercise a dutiful discretion under the maintenance of a critical attitude. In addition to this:</p> <ul style="list-style-type: none"> • we identify and judge the risks associated with significant deliberate or accidental false representations contained within the annual financial accounts. As a reaction to these risks, we will plan and carry out audit actions which are sufficient and suitable to act as a foundation for our professional opinion. The risk associated with significant false representations which have not been exposed is higher for violations than with errors. This is because violations could imply fraudulent cooperation, falsifications, deliberate incompleteness, misleading presentation of information or the hindrance of internal supervision and monitoring. • we achieve an understanding of the internal supervision and monitoring system relevant to the annual financial accounts. This is done in order to plan audit actions which are relevant to the given situation, however not with the intention of giving an appraisal as to the effectiveness of the company's systems. • we judge the suitability of the accounting methods used by the accountants (legal representatives) and also the tenability of estimated values and correlating declarations used by them. • we draw conclusions as to the suitability of the applied accountancy model used by the accountants to demonstrate the continuation of the
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<p>legungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungs-vermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren.</p> <p>Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.</p> <ul style="list-style-type: none"> • beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. <p>Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.</p>	<p>company business and additionally, based upon knowledge obtained during the audit, whether a significant uncertainty exists, in connection with events or circumstances, which could give rise to a meaningful doubt as to the ability of the company to continue its business. Should we reach the conclusion that a significant uncertainty does exist, we are compelled to include this in the auditor's report quoting the relevant data in the annual financial accounts. Should these details not be appropriate then we will modify the respective audit opinion. We draw our conclusions based upon information and data received up until the date of our auditor's report. Future events or circumstances can however lead to the inability of the company to continue its business.</p> <ul style="list-style-type: none"> • We assess the overall view, the structure and content of the annual financial account inclusive of general information, and additionally as to whether the annual financial accounts reflect the basic business transactions and events in a manner that the annual financial accounts, prepared according to the German accountancy good practice principles, demonstrate the real state of affairs of the company relating to the assets, earnings and financial state. <p>We discuss with those responsible for the supervision amongst other things, the intended scope and scheduling of the audit as well as relevant discoveries including possible shortcomings in the internal monitoring system which we ascertain during the audit.</p>
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Traunstein 14. Mai 2020

Hubert Jahn Kollegen GmbH
Wirtschaftsprüfungsgesellschaft


Matthias Jahn
Wirtschaftsprüfer

Legal PositionCompany's structure

Company name	Larsen & Toubro Infotech GmbH
Legal domicile:	München
Legal form:	GmbH
Articles of association:	as of 04 June 1999, valid in the current version as of 27 August 2019
Commercial register:	Commercial Register, dated 12 September 2019 (Amtsgericht München, Abteilung 251462) Last Commercial Register Excerpt as of 23 April 2020
Object of the company :	Delivery of consulting services in the field of information technology as well as dealing with goods and rights of all kind, especially with assets, equipment and fixtures for information technology as well as software.
Fiscal year :	April 1 until March 31

Nominal capital : EUR 125.000,00
100 % of the shares of the Company are being held by
Larsen & Toubro Infotech Ltd., Mumbai/India

Managing directors:

- Ashok Kumar Sonthalia, Mumbai/India
- Sudhir Chaturvedi, Purley/Great Britain
- Satyakanta Samal, Surrey/Great Britain

Each has the power of sole representation and is exempted
from the restrictions of BGB § 181.

Shareholder Meeting, prior financial statements

Prior financial statements: The financial statements as of March 31, 2019 were
approved at the shareholder's meeting on May 2, 2019.

Appendix 6

Tax Basis

Local tax office: München (143) Körpersch./Pers.

Registration number: 143/156/51590

**LARSEN & TOUBRO INFOTECH
CANADA LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

Larsen & Toubro Infotech Canada Limited

DIRECTORS' REPORT

Dear Member,

The Directors have pleasure in presenting the report and Audited Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS/FINANCIAL HIGHLIGHTS:

Particulars	2019-20	2018-19
	CAD	CAD
Total Income	40,530,702	31,101,558
Total Expenditure	37,568,628	29,384,306
Operating Profit / (Loss)	2,962,074	1,717,252
Add: Interest Income	-	-
Less: Finance Costs	-	-
Profit / (Loss) before Tax	2,962,074	1,717,252
Less : Tax	792,462	461,459
Net Profit / (Loss) after Tax	2,169,612	1,255,793
Add: Balance b/f from previous year	3,454,197	2,198,404
Balance available for disposal which directors appropriate as follows:		
Dividend	1,000,000	-
Transfer to Reserves	-	-
Balance to be carried forward	4,623,809	3,454,197

2. Capital Expenditure:

As at March 31, 2020, the gross fixed and intangible assets including leased Assets, stood at CAD 37,171 and the net fixed and intangible assets, including leased assets, at CAD 46,198. Capital Expenditure during the year amounted to CAD 49,658.

3. State of Company Affairs / Business Prospects:

The gross sales and other income for the financial year under review were CAD 40.53 Mn. as against CAD 31.10 Mn. for the previous financial year registering an increase of 30.32%. The profit before tax from continuing operations including extraordinary and exceptional items was CAD 2.96 Mn. and the profit after tax from continuing

operations including extraordinary and exceptional items of CAD 2.17 Mn. for the financial year under review as against CAD 1.72 Mn. and CAD 1.26 Mn. respectively for the previous financial year, registering an increase of 72.09% and 72.22% respectively.

4. Dividend:

In order to conserve the resources for future business growth, the Directors do not recommend any final dividend for the ended March 31, 2020.

5. Reporting of Frauds:

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees.

6. Details of Significant & Material Orders Passed by the Regulators or Courts:

During the year under review, there were no material and significant orders passed by the regulators or courts impacting the going concern status and the Company's operations in future.

7. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

No change in the Board of Directors & Key Managerial Personnel happened during the FY 2019-20.

8. Financial Statements:

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

9. Auditors:

KNAV Professional Corporation are the auditors of the Company.

10. Directors Responsibility Statement:

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

11. **Acknowledgement**

Your Directors acknowledge the invaluable support extended by the Government authorities in Canada and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Date: May 7, 2020

Harsh Naidu
Director
(Edison)

Tina Allan
Director
(Mississauga)



Independent Auditor's Report

To the Shareholder of Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE (“the Company”) which comprise the statements of financial position as at March 31, 2020 and March 31, 2019 and the statements of income and retained earnings, and statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE as at March 31, 2020 and March 31, 2019 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for private enterprises.

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the management 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.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Harshad Parekh.

KNAV Professional Corporation

KNAV Professional Corporation
Chartered Professional Accountants

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario
55 York Street, Suite 401,
Toronto Ontario M5J 1R7
Date: May 07, 2020

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019




Balance sheets

(All amounts in Canadian Dollars, unless otherwise stated)

	Notes	As at	
		March 31, 2020	March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	6	426,065	4,386,291
Accounts receivable, net	7	7,120,220	2,944,728
Other current assets	8	171,889	161,618
Unbilled revenue		247,765	893,941
Total current assets		\$ 7,965,939	8,386,578
Computer, furniture, office equipment, leasehold improvement and electrical installation	9	46,198	7,625
Total assets		\$ 8,012,137	8,394,203
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	1,567,334	3,583,009
Other current liabilities	11	1,725,711	1,246,720
Deferred revenue		94,584	109,434
Total current liabilities		\$ 3,387,629	4,939,163
Future tax liabilities	14	599	743
Total liabilities		\$ 3,388,228	4,939,906
Shareholder's equity			
Share capital	12	100	100
Retained earnings		4,623,809	3,454,197
Total shareholder's equity		\$ 4,623,909	3,454,297
Total liabilities and shareholder's equity		\$ 8,012,137	8,394,203

(The accompanying notes are an integral part of these financial statements)

APPROVED ON BEHALF OF THE BOARD:

		
Alekh Gupta (May 8, 2020)		Director: Tina Allan
CFO: Alekh Gupta		
		Director: Harsh Naidu

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019




Statements of income and retained earnings

(All amounts in Canadian Dollars, unless otherwise stated)

	Notes	For the year ended	
		March 31, 2020	March 31, 2019
Revenue	13	40,316,350	31,101,558
Other income		214,352	-
Total revenue		\$ 40,530,702	31,101,558
Employee cost		20,224,647	14,787,557
Subcontracting expenses		15,433,816	12,907,007
Other direct costs		39,006	36,642
Total direct expense		\$ 35,697,469	27,730,206
Sales and administration expenses		830,411	485,219
Rent		333,534	158,815
Professional charges		376,138	487,402
Travelling and conveyance		255,717	361,299
Telephone charges		48,427	47,948
Auditor's remuneration		10,025	10,103
Foreign exchange loss		-	24,848
Miscellaneous expenses		5,823	75,117
Total indirect costs		\$ 1,860,075	1,650,751
Depreciation	9	11,084	3,349
Income before tax		\$ 2,962,074	1,717,252
Provision for income taxes		792,606	461,364
Future income tax expense (benefit)		(144)	95
Income taxes	14	792,462	461,459
Net income after taxes		\$ 2,169,612	1,255,793
Retained earnings, beginning of the year		3,454,197	2,198,404
Dividend distribution		(1,000,000)	-
Retained earnings, end of the year		\$ 4,623,809	3,454,197

(The accompanying notes are an integral part of these financial statements)

APPROVED ON BEHALF OF THE BOARD:

		
Alekh Gupta (May 8, 2020)		Director: Tina Allan
CFO: Alekh Gupta		
		Director: Harsh Naidu

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019

Statements of cash flows

(All amounts are in Canadian Dollars, unless otherwise stated)

For the year ended
March 31, 2020 **March 31, 2019**

Cash flow from operating activities

Net income after tax	2,169,612	1,255,793
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Adjustments for non-cash items

Depreciation	11,084	3,349
Provision for doubtful accounts receivable	(15,296)	40,978
Future income tax expenses (benefit)	(144)	95
Unrealized foreign exchange loss (gain)	(143,471)	38,372

Net change in non-cash operating working capital

Accounts receivable	(4,113,219)	3,853,180
Other current assets	(8,105)	(96,679)
Unbilled revenue	646,175	(576,918)
Accounts payable and accrued liabilities	(1,919,935)	(1,826,973)
Deferred revenue	(14,850)	17,642
Other current liabilities	478,955	559,531

Cash (used in) provided by operating activities	\$ (2,909,194)	3,268,370
--------------------------------------------------------	-----------------------	------------------

Cash flow from investing activities

Purchase of office equipment	(49,658)	(1,417)
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Cash used in investing activities	\$ (49,658)	(1,417)
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Cash flow from financing activities

Dividend paid	(1,000,000)	-
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Cash used in financing activities	\$ (1,000,000)	-
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Net foreign exchange difference on cash and cash equivalents	(1,374)	477
--------------------------------------------------------------	---------	-----

Net (decrease) increase in cash and cash equivalents	(3,960,226)	3,267,430
-------------------------------------------------------------	--------------------	------------------

Cash and cash equivalents, at beginning of the year	4,386,291	1,118,861
-----------------------------------------------------	-----------	-----------

Cash and cash equivalents, at end of the year	\$ 426,065	4,386,291
------------------------------------------------------	-------------------	------------------

APPROVED ON BEHALF OF THE BOARD:

		<i>Tina Allan</i> <small>Tina Allan (Mar 31, 2020)</small>
 <small>Alekh Gupta (Mar 8, 2020)</small>		Director: Tina Allan
CFO: Alekh Gupta		 <small>Harsh Naidu (Mar 31, 2020)</small>
		Director: Harsh Naidu

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019

Notes to financial statements

(Amounts are in Canadian Dollars, unless otherwise stated)

1. Description of business

Larsen & Toubro Infotech Canada Ltd. / Infotech Larsen & Toubro Canada LTEE (the "Company") is incorporated under the Canada Business Corporations Act (Ontario). The Company is a wholly owned subsidiary of Larsen & Toubro Infotech Ltd., an India registered company ("Parent"). The Company is engaged in software consulting and development services.

2. Basis of presentation

The financial statements of the Company have been prepared by the management in accordance with Canadian accounting standards for private enterprises ("GAAP" or "ASPE"). The financial statements are presented for the year April 01, 2019 to March 31, 2020 and for the year April 01, 2018 to March 31, 2019. All amounts are in Canadian dollars, unless otherwise stated.

3. Basis for measurement

The financial statements have been prepared on going concern and historical cost basis.

4. Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar.

5. Significant accounting policies

a) *Use of estimates*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management bases the estimates on a number of factors, including historical experience, current events and actions that the Company may undertake in the future and other assumptions that the Company believes are reasonable under the circumstances. Estimates are used in accounting for items and matters such as revenues, provision for doubtful accounts, useful lives of non-current assets, legal and tax contingencies, employee compensation plans, income taxes and investment tax credit.

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- i. **Income taxes:** Management uses estimates when determining current and future income taxes. These estimates are used to determine the recoverability of tax loss carry forward amounts, research and development expenditures and investment tax credits.

b) *Foreign currency transactions*

Transactions denominated in foreign currencies are translated into the Canadian dollar at the rate of exchange in effect at the time of the transaction. Monetary assets and liabilities are translated into Canadian dollars at the year-

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE

Financial Statements

March 31, 2020 and March 31, 2019

end exchange rate. Non-monetary items are translated at historical rates. All exchange gains and losses are included in net income.

c) *Revenue recognition*

The Company recognizes revenues across all the revenue streams when they are earned, specifically when all the following conditions are met:

- a) Services are provided to customers;
- b) There is clear evidence that an arrangement exists;
- c) Amounts are fixed or can be determined; and
- d) The ability to collect is reasonably assured.

The Company recognizes revenue for different revenue streams as follows:

- Time and material services: Revenue with respect to time-and-material contracts is recognized as related services are performed applying the contracted rates.
- Fixed price contracts: Revenue from fixed price contracts is recognized over the life of contract based on a percentage completion method. Percentage completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and cost on a routine basis through the delivery period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Deferred revenue represents amounts collected or billed prior to satisfying the above revenue recognition criteria. Unbilled revenue represents amounts not billed to the customers but accrued because of satisfying the above revenue recognition criteria.

d) *Provision for doubtful accounts*

The Company follows specific identification method for providing for doubtful accounts. Management analyses accounts receivable and the composition of the accounts receivable ageing, historical bad debts, when evaluating the adequacy of the provision for doubtful accounts.

e) *Financial instruments*

Financial instruments are measured at fair value on initial recognition. After initial recognition, financial instruments are measured at their fair values, except for loans and receivables and other financial liabilities, which are measured at amortized cost using the effective interest rate method.

The Company has made the following classifications:

- Cash and cash equivalents are classified as assets held for trading and are measured at fair value. Gains and losses resulting from the periodic revaluation are recorded in net income;
- Accounts receivable are classified as loans and receivables and are initially recorded at fair value and subsequent measurements are recorded at amortized cost using the effective interest rate method; and
- Accounts payable and accrued liabilities are classified as other financial liabilities and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE

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March 31, 2020 and March 31, 2019

The carrying value of cash and cash equivalent, accounts receivable and accounts payable equals or approximates the fair value.

f) *Income taxes*

The Company follows asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis [temporary differences]. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years during which temporary differences are expected to be realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date. A valuation allowance is provided to the extent that it is more likely than not; that future income tax asset will not be realized.

g) *Investment tax credits*

The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Income tax investment tax credits related to expensed research and development costs are recorded as a reduction of the total expenditure. Income tax investment tax credits related to property and equipment are accounted for as a reduction in the cost of the related asset.

h) *Dividend*

Dividends are recognized as a liability in the period in which they are declared. The income tax consequences of dividends are recognized when a liability to pay the dividend is recognized.

i) *Cash and cash equivalents*

Cash and cash equivalents, including cash on account, demand deposits and short-term investments with original maturities of three months or less, are recorded at cost, which approximates market value.

j) *Computers, furniture, office equipment, leasehold improvement & electrical installation*

Computers, furniture and office equipment are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods.

Particulars	Useful life
Office equipment	Up to 5 years
Leasehold improvements	Over lease period
Computer equipment	Up to 6 years
Electrical installation	Up to 10 years
Furniture and fixtures	Up to 10 years

The Company regularly reviews its capital assets to eliminate obsolete items.

k) *Impairment of long-lived assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. This assessment is based on the carrying amount of the asset at the date it is tested for recoverability, whether it is in use or under development. In cases where the undiscounted expected future cash flows are less than the carrying amount,

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019

an impairment loss shall be recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. If an impairment loss is recognized, the adjusted carrying amount becomes the new cost basis. An impairment loss shall not be reversed if the fair value subsequently increases.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

	As at	
	March 31, 2020	March 31, 2019
Cash at bank	426,065	4,386,291
Total	426,065	4,386,291

\$

7. ACCOUNTS RECEIVABLE, NET

Accounts receivable comprise of:

	As at	
	March 31, 2020	March 31, 2019
Related party accounts receivable	3,317,980	87,660
Trade accounts receivable	3,827,239	2,898,046
Less: Provision for doubtful accounts	(24,999)	(40,978)
Total accounts receivable	7,120,220	2,944,728

\$

The terms and conditions with related party accounts receivable are the same common terms provided to non-related parties. The provision for doubtful accounts as on March 31, 2020 is \$ 24,999 and \$ 40,978 as on March 31, 2019.

The activities in provision for doubtful debts account for year ended March 31, 2020 and March 31, 2019 are as given below-

	Year ended	
	March 31, 2020	March 31, 2019
Balance at beginning of the year	40,978	-
Add: Provision during the year	-	40,978
Less: Write off/ reversal during the year	(15,926)	-
Balance at end of the year	24,999	40,978

\$

8. OTHER CURRENT ASSETS

Other current assets comprise of:

	As at	
	March 31, 2020	March 31, 2019
Advance to employees	171,889	161,818
Total	171,889	161,818

\$

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019

9. COMPUTER, FURNITURE AND EQUIPMENT

Particulars	Computer equipment	Office equipment	Furniture & fixtures	Leasehold improvement	Electrical installation	Total
As at March 31, 2019						
Gross block as at April 1, 2018	29,413	3,795	2,546	-	-	35,754
Add: Additions	1,417	-	-	-	-	1,417
Less: Accumulated depreciation	(24,587)	(2,610)	(2,349)	-	-	(29,546)
Net block as at March 31, 2019	6,243	1,185	197	-	-	7,625
As at March 31, 2020						
Gross block as at April 1, 2019	30,830	3,795	2,546	-	-	37,171
Add: Additions	23,854	579	-	21,750	3,475	49,658
Less: Accumulated depreciation	(29,565)	(2,977)	(2,349)	(5,408)	(330)	(40,629)
Net block as at March 31, 2020	25,119	1,397	197	16,342	3,145	46,198

Depreciation expense for the year ended March 31, 2020 amounted to \$ 11,084 (year ended March 31, 2019 \$ 3,349).

Effective April 01, 2019, the Company changed its depreciation method from written down value method to straight line method. The change in accounting policy is in line with accounting practice followed by parent company. The retrospective impact on account of change of method, which the management believes is not material, and hence the same is not adjusted to opening retained earnings.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise of:

	As at	
	March 31, 2020	March 31, 2019
Related party accounts payable	1,182,323	3,119,132
Other accounts payable	990	2,714
Accrued liabilities	384,021	461,163
Total	\$ 1,567,334	3,583,009

11. OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	March 31, 2020	March 31, 2019
Provision for income tax, net of advance tax	331,449	189,422
Payable to government agencies	289,793	191,762
Accrued vacation pay	779,468	570,799
Others	325,001	294,737
Total	\$ 1,725,711	1,246,720

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019

16. RELATED PARTY TRANSACTIONS

A. Related parties:

- a. Larsen & Toubro Ltd., India - Ultimate parent company
- b. Larsen & Toubro Infotech Ltd., India - parent company
- c. Larsen & Toubro Infotech Ltd., USA – branch of Larsen & Toubro Infotech Ltd., India
- d. L&T Infotech Financial Services Technologies Inc. - fellow subsidiary
- e. L&T Technology Services Ltd. - fellow subsidiary
- f. Larsen & Toubro Infotech Ltd., UK – branch of Larsen & Toubro Infotech Ltd., India
- g. Larsen & Toubro Infotech Ltd., Costa Rica – branch of Larsen & Toubro Infotech Ltd., India
- h. Larsen & Toubro Infotech Ltd., France – branch of Larsen & Toubro Infotech Ltd., India

B. Summary of transactions with related parties are as follows:

		For the year ended	
		March 31, 2020	March 31, 2019
Overheads charged by:			
Larsen & Toubro Infotech Ltd., USA	\$	387,359	285,228
L&T Infotech Financial Services Technologies Inc.	\$	607,491	267,047
Larsen & Toubro Infotech Ltd., India	\$	830	-
Larsen & Toubro Infotech Ltd., France	\$	61,842	94,567
Larsen & Toubro Infotech Ltd., UK	\$	-	63,490
Procurement of services recorded as expenses:			
Larsen & Toubro Infotech Ltd., India	\$	13,274,675	10,249,024
L&T InfoTech Financial Services Technologies Inc	\$	-	30,067
Sale of services:			
Larsen & Toubro Infotech Ltd., USA	\$	21,953,398	13,836,814
L&T Infotech Financial Services Technologies Inc.	\$	298,254	14,136
Larsen & Toubro Infotech Ltd., India	\$	419,336	819,936
Overheads charged to:			
Larsen & Toubro Infotech Ltd., USA	\$	320,726	57,301
L&T Infotech Financial Services Technologies Inc.	\$	76,285	71,264
Larsen & Toubro Infotech Ltd., Costa Rica	\$	-	12,904
L&T Technology Services Ltd.	\$	4,518	5,859
Larsen & Toubro Infotech Ltd., India	\$	-	1,560
Larsen & Toubro Infotech Ltd., Australia	\$	126,189	-
Larsen & Toubro Infotech Ltd., UK	\$	25,332	-
Dividend			
Larsen & Toubro Infotech Ltd., India	\$	1,000,000	-

These transactions are under normal credit terms and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
 Financial Statements
 March 31, 2020 and March 31, 2019

The following balances are due from (due to) related parties and are non-interest bearing:

		As at	
		March 31, 2020	March 31, 2019
Larsen & Toubro Infotech Ltd., USA	\$	3,175,149	87,316
L&T Infotech Financial Services Technologies Inc.	\$	3,603	(77,614)
L&T Technology Services Ltd	\$	1,161	343
Larsen & Toubro Infotech Ltd, Costa Rica	\$	11,878	-
Larsen & Toubro Infotech Ltd, India	\$	(1,272,434)	(2,850,661)
Larsen & Toubro Infotech Ltd, UK	\$	-	(31,690)
Larsen & Toubro Infotech Ltd, Australia	\$	126,189	-
Larsen & Toubro Infotech Ltd, France	\$	(5,817)	(94,566)
		2,039,729	(2,966,872)

In the normal course of business, the Company is exposed to financial risks that may potentially impact its operating results. The Company employs risk management strategies with a view to mitigating these risks on a cost-effective basis.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash equivalents and accounts receivable. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

The Company has deposited the cash equivalents with a reputable financial institution, from which management believes the risk of loss to be remote.

As at March 31, 2020, three customers accounted for 81% [March 31, 2019 - three customers accounted for 62%] of the accounts receivable.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Company's 62% revenues are denominated in U.S. dollars [March 31, 2019: 57%]. As at March 31, 2020, the accounts receivable denominated in U.S. dollars amounted to USD 3,618,899 [March 31, 2019 – USD 1,008,503]. The Company's cash & cash equivalents denominated in U.S dollars amounted to USD 165,457 [March 31, 2019 – USD 2,676,753]

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. Accounts payable are primarily due within 90 days and will be satisfied from current working capital.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company manages other price risk through asset allocation and/or maintaining a portfolio that is well diversified on both a geographic and industry sector basis

Larsen & Toubro Infotech Canada Ltd / Infotech Larsen & Toubro Canada LTEE
Financial Statements
March 31, 2020 and March 31, 2019

17. ECONOMIC DEPENDENCE

During the year ended March 31, 2020, one of the Company's major customers provided 54% of total revenues (March 31, 2019: 44%).

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year. The reclassification has no impact on the reported net income and retained earnings.

19. RISKS AND UNCERTAINTIES:

The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

20. SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2020 through May 07, 2020; the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions, that would require recognition or disclosure in the financial statements.

LARSEN & TOUBRO INFOTECH LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

Larsen & Toubro Infotech LLC

DIRECTORS' REPORT

Dear Member,

It's a pleasure in presenting the report and Audited Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS/FINANCIAL HIGHLIGHTS:

Particulars	2019-20	2018-19
	USD	USD
Total Income	938,234	963,598
Total Expenditure	895,754	917,712
Operating Profit / (Loss)	42,480	45,886
Add: Interest Income	2,197	-
Less: Finance Costs	-	-
Profit / (Loss) before Tax	44,677	45,886
Less : Tax	-	-
Net Profit / (Loss) after Tax	44,677	45,886
Add: Balance b/f from previous year	482,280	436,394
Balance available for disposal which directors appropriate as follows:		
Dividend	-	-
Transfer to Reserves	-	-
Balance to be carried forward	526,957	482,280

2. State of Company Affairs:

The gross sales and other income for the financial year under review were USD 0.94 Mn.as against USD 0.96 Mn. for the previous financial year registering a decrease of 2.08%. The profit after tax from continuing operations including extraordinary and exceptional items of USD 44,677 for the financial year under review as against USD 45,886 for the previous financial year, registering a decrease of 2.63%.

3. Dividend:

In order to conserve the resources for future growth, no dividend is proposed for the FY20.

4. Reporting of Frauds:

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees.

5. Details of Significant & Material Orders Passed by the Regulators or Courts:

During the year under review, there was no material and significant orders passed by the regulators or courts impacting the going concern status and the Company's operations in future.

6. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

There was no change in the Board of Directors & Key Managerial Personnel during the FY 2019-20.

7. Financial Statements:

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

8. Auditors:

SGC & Associates LLP are the auditors of the Company.

9. Directors Responsibility Statement:

The Sole Director of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Director has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Director has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Director has prepared the Annual Accounts on a going concern basis;
- e) The Director has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

10. Acknowledgement

Your Director acknowledge the invaluable support extended by the Government authorities in USA and take this opportunity to thank them as well as the

customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Place: Edison, USA

Date: May 1, 2020

Harsh Naidu
Director



SGC & Associates LLP
Certified Public Accountants

63 Cuttermill Road
Great Neck, NY 11021
Tel – (516)-504-0110
Fax – (516)-706-0149

Independent Auditor’s Report

To Larsen & Toubro Infotech LLC

Gentlemen:

Report on the Financial Statements

We have audited the accompanying financial statements of Larsen & Toubro Infotech LLC, which comprise the balance sheets as of March 31, 2020 and 2019, and the related statements of income, comprehensive income, and changes in members’ equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SGC & Associates LLP
Certified Public Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Larsen & Toubro Infotech LLC as of March 31, 2020 and 2019, and the results of its operations, members' equity and its cash flows for the years then ended in accordance with the International Financial Reporting Standards.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

sgc & associates llp

Great Neck NY

May 1, 2020

LARSEN & TOUBRO INFOTECH LLC**BALANCE SHEETS****AS AT MARCH 31, 2020 AND 2019****ASSETS**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Current assets		
Cash and cash equivalents	\$ 537,736	\$ 444,049
Due from affiliates	63,990	108,073
Other current assets	2,955	-
	<u>604,681</u>	<u>552,122</u>
Total current assets		
	<u>604,681</u>	<u>552,122</u>
Total assets	<u>\$ 604,681</u>	<u>\$ 552,122</u>

LIABILITIES AND EQUITY

Current liabilities		
Accrued expenses and other current liabilities	\$ 77,724	\$ 69,842
	<u>77,724</u>	<u>69,842</u>
Total current liabilities		
	<u>77,724</u>	<u>69,842</u>
Total liabilities	<u>\$ 77,724</u>	<u>\$ 69,842</u>
Equity		
Members' equity	526,957	482,280
	<u>526,957</u>	<u>482,280</u>
Total equity		
	<u>526,957</u>	<u>482,280</u>
Total liabilities and equity	<u>\$ 604,681</u>	<u>\$ 552,122</u>

See Notes to Financial Statements

LARSEN & TOUBRO INFOTECH LLC

STATEMENTS OF INCOME, COMPREHENSIVE INCOME, AND CHANGES IN
MEMBERS' EQUITY

YEARS ENDED MARCH 31, 2020 AND 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Sales		
Net Sales	\$ 938,234	\$ 963,598
Total operating revenue	<u>938,234</u>	<u>963,598</u>
Operating expenses	<u>895,747</u>	<u>904,132</u>
Total operating expenses	<u>895,747</u>	<u>904,132</u>
Operating income	<u>42,487</u>	<u>59,466</u>
Interest income	2,197	-
Other income (expenses)	<u>(7)</u>	<u>(13,580)</u>
Net income	<u>44,677</u>	<u>45,886</u>
Comprehensive income	<u>44,677</u>	<u>45,886</u>
Members' equity, beginning of year	<u>482,280</u>	<u>436,394</u>
Members' equity, end of year	<u>\$ 526,957</u>	<u>\$ 482,280</u>

See Notes to Financial Statements

LARSEN & TOUBRO INFOTECH LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2020 AND 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Cash flows from operating activities		
Net income	\$ 44,677	\$ 45,886
Adjustments to reconcile change in net assets to net cash used by operating activities		
Interest income	(2,197)	-
Decrease (increase) in assets		
Due from affiliates	44,083	246,902
Other current assets	(2,955)	-
Increase (decrease) in liabilities		
Accrued expenses and other current liabilities	7,882	(26,377)
	<u>91,490</u>	<u>266,411</u>
Net cash from operating activities		
Cash flows from investing activities		
Interest received	2,197	-
	<u>2,197</u>	<u>-</u>
Cash flows from financing activities	-	-
Net change in cash and cash equivalents	93,687	266,411
Cash and cash equivalents - beginning of year	<u>444,049</u>	<u>177,638</u>
Cash and cash equivalents - end of year	<u>\$ 537,736</u>	<u>\$ 444,049</u>

See Notes to Financial Statements

LARSEN & TOUBRO INFOTECH LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2020 AND 2019

NOTE 1 – BUSINESS DESCRIPTION

Larsen & Toubro Infotech LLC (“the Company” or “LTLL”) is a limited liability company organized in the State of Delaware, United States of America. The Company is a wholly owned subsidiary of Larsen & Toubro Infotech Limited, a public limited company incorporated, domiciled, and having its registered office in Mumbai, India. The Company was formed to take over the work and absorb the staff from a large client of its parent, Larsen & Toubro Infotech Limited. The client closed its information technology operations and transferred them to the Company. The Company’s headquarters are in Edison, New Jersey in the United States of America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation – The accompanying financial statements of Larsen & Toubro Infotech LLC are prepared on the accrual basis of accounting in accordance with the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS). These financial statements were authorized for issue by the Company’s Management on May 1, 2020. Revenue is recorded when earned and expenses are recorded when incurred. All amounts are stated in United States Dollars.

Use of Estimates – The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The important estimates made by LTLL in preparing these financial statements include provisions for compensated absences, and other contingencies. The estimates are made using historical information and other relevant factors available to management. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Cash and Cash Equivalentents – LTLL considers all cash which is used for current operations with a maturity of three months or less to be cash and cash equivalentents. The Company believes it is not exposed to any significant risk on cash and cash equivalentents.

LARSEN & TOUBRO INFOTECH LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement Benefits – Contributions to defined contribution plans are recognized as an expense in the statement of income, comprehensive income and changes in members' equity in the period during which services are rendered by the employees.

Compensated Absences – Compensated absences are recognized in the period in which the employee renders the related service. The provision for compensated absences totaled \$75,696 and \$74,954 at March 31, 2020 and 2019, respectively. Such amount is included in "accrued expenses and other current liabilities" in the accompanying balance sheets at March 31, 2020 and 2019.

Revenue Recognition – Revenue is recognized only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated rebates and other similar allowances.

Other items of income are accounted as and when the right to receive arises.

Commitments and Contingencies – Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Income Taxes – LTLL operates as a Limited Liability Company (LLC) under statutes of the Limited Liability Company Act of the State of Delaware. Under those statutes, the Company's taxable income or loss is distributed to its members, who report their proportionate share of income or loss on their respective income tax returns.

LARSEN & TOUBRO INFOTECH LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued) – LTLL is a single member LLC and Larsen & Toubro Infotech Limited is its sole member. A single member LLC is treated as a disregarded entity for income tax purposes, and all income and expenses of a single member LLC are reflected on the income tax returns of the sole member of the single member LLC. Therefore, all income and expenses of LTLL are reflected on the income tax returns of Larsen & Toubro Infotech Limited. Therefore, no provision for income taxes has been provided in the accompanying financial statements of LTLL.

Fair Value of Financial Instruments – At March 31, 2020 and 2019, the carrying value of cash, other receivables, due from affiliates, accrued expenses and other current liabilities approximates fair value because of the short maturity of these items.

Events Occurring After the Report Date – LTLL has evaluated all events or transactions that occurred after the balance sheet date of March 31, 2020 through May 1, 2020, the date these financial statements were available to be issued. As of May 1, 2020, there were no adjusting or non-adjusting events that were required to be accrued or disclosed in the financial statements.

Uncertainty in Income Taxes – LTLL has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 3 – EMPLOYEE BENEFIT PLAN

LTLL has a 401(k)-retirement plan (the “Plan”) for the benefit of its employees. As allowed under Section 401(k) of the Internal Revenue Code, the Plan provides for tax-deferred salary contributions for eligible employees. The Plan allows employees to contribute a percentage of their annual compensation to the Plan on a pre-tax basis. Employee contributions are limited to a maximum annual amount as set periodically by the Internal Revenue Code. At its discretion, the Company may match pre-tax employee contributions up to percentage of eligible earnings that are contributed by employees. During the years ended March 31, 2020 and 2019, the Company contributed \$0 and \$0 towards the Plan.

NOTE 4 – CONCENTRATION OF CREDIT RISK

From time to time, LTLL has cash on deposit with financial institutions in excess of Federal Deposit Insurance Corporation (“FDIC”) limits.

LARSEN & TOUBRO INFOTECH LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2020 AND 2019

NOTE 5 – INTEREST INCOME

	March 31, 2020	March 31, 2019
Interest income:		
Bank interest	\$ <u>2,197</u>	\$ <u>-</u>
	\$ <u><u>2,197</u></u>	\$ <u><u>-</u></u>

NOTE 6 – EMPLOYEE BENEFITS

Employee benefits comprise:

	March 31, 2020	March 31, 2019
Salaries	\$ 781,214	\$ 795,615
Payroll taxes	45,905	45,675
Employee medical insurance	<u>34,697</u>	<u>42,781</u>
	\$ <u><u>861,816</u></u>	\$ <u><u>884,071</u></u>

NOTE 7 – RELATED PARTY TRANSACTIONS

LTLL had transactions and balances in the ordinary course of business with the following related parties during the year ended and as of March 31, 2020 and 2019:

No.	Name of the related party	Nature of relationship
1	Larsen & Toubro Infotech Limited	Parent
2	Larsen & Toubro Infotech Limited, U.S. Branch	U.S. Branch of the Parent

LTLL's balances with the related parties amounted to the following at March 31, 2020:

No.	Name of the related party	Balance at March 31, 2020
2	Due from (to) Larsen & Toubro Infotech Limited, U.S. Branch	\$63,990

LTLL's balances with the related parties amounted to the following at March 31, 2019:

No.	Name of the related party	Balance at March 31, 2019
1	Due from (to) Larsen & Toubro Infotech Limited	(\$327)
2	Due from (to) Larsen & Toubro Infotech Limited, U.S. Branch	\$108,400

LARSEN & TOUBRO INFOTECH LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2020 AND 2019

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 1, 2020, the date these financial statements were available for issue. All subsequent events, requiring recognition or disclosure through this date, have been incorporated into these financial statements.

LARSEN & TOUBRO INFOTECH LLC

SCHEDULE TO THE STATEMENTS OF INCOME, COMPREHENSIVE INCOME,
AND CHANGES IN MEMBERS' EQUITY

YEARS ENDED MARCH 31, 2020 AND 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Operating expenses		
Salaries	\$ 781,214	\$ 795,615
Payroll taxes	45,905	45,675
Employee medical insurance	34,697	42,781
Travel	31,854	17,219
Professional fees	1,423	-
Other taxes	\$ 642	\$ 1,739
Employee welfare	(508)	583
Telephone expenses	<u>520</u>	<u>520</u>
Total operating expenses	<u>\$ 895,747</u>	<u>\$ 904,132</u>
Other income (expenses)		
Interest income	\$ 2,197	\$ -
Foreign exchange gain (loss)	<u>(7)</u>	<u>(13,580)</u>
Total other income (expenses)	<u>\$ 2,190</u>	<u>\$ (13,580)</u>

L&T INFOTECH FINANCIAL SERVICES TECHNOLOGIES INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

L&T Infotech Financial Services Technologies Inc.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the report and Audited Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS/FINANCIAL HIGHLIGHTS:

Particulars	2019-20	2018-19
	CAD*	CAD*
Total Income	57,317,109	56,279,481
Total Expenditure	39,247,229	36,770,314
Operating Profit / (Loss)	18,069,880	19,509,167
Add: Interest Income	234,544	181,995
Less: Finance Costs	-	3,960
Profit / (Loss) before Tax	18,304,424	19,687,202
Less : Tax	5,005,535	5,368,278
Net Profit / (Loss) after Tax	13,298,889	14,318,924
Add: Balance b/f from previous year	10,348,732	2,029,808
Balance available for disposal which directors appropriate as follows:	23,647,621	16,348,732
Dividend	(13,800,000)	(6,000,000)
Premium on shares repurchased	-	-
Transfer to Reserves	-	-
Balance to be carried forward	9,847,621	10,348,732

Note: *Canadian Dollars

2. Capital Expenditure:

As at March 31, 2020, the gross fixed and intangible assets including leased Assets, stood at CAD 114.21 Mn and the net fixed and intangible assets, including leased assets, at CAD 18.32 Mn. Capital Expenditure during the year amounted to CAD 2.03 Mn.

3. Particulars of loans given, investments made, guarantees given or security provided by the Company:

The Company has disclosed the particulars of the loans given, investments made or guarantees given or security provided in Note No. 30 of the financial statements.

4. State of Company Affairs:

The gross sales and other income for the financial year under review were CAD 57.52 Mn as against CAD 56.46 Mn for the previous financial year registering an increase of 2%. The profit before tax from continuing operations including extraordinary and exceptional items was CAD 18.30 Mn and the profit after tax from continuing operations including extraordinary and exceptional items of CAD 13.30 Mn for the financial year under review as against CAD 19.69 Mn and CAD 14.32 Mn respectively for the previous financial year, registering an decrease of 7% and 8% respectively.

5. Dividend:

In order to conserve the resources for future growth, the Directors do not propose payment of any final dividend for the year.

6. Reporting of Frauds:

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees.

7. Details of Significant & Material Orders Passed by the Regulators or Courts:

During the year under review, there were no material and significant orders passed by the regulators or courts impacting the going concern status and the Company's operations in future.

8. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

There was no change in the Board of Directors & Key Managerial Personnel happened during the FY 2019-20.

9. Financial Statements:

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

10. Auditors:

M/s KNAV Professional Corporation are the auditors of the Company.

11. Directors Responsibility Statement:

The Board of Directors of the Company confirms:

a) In the preparation of Annual Accounts, the applicable accounting standards

- have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
 - c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d) The Directors have prepared the Annual Accounts on a going concern basis;
 - e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

12. **Acknowledgement**

Your Directors acknowledge the invaluable support extended by the Government authorities in Canada and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Date: May 7, 2020

Harsh Naidu
Director
(Edison)

Tina Allan
Director
(Mississauga)



Independent Auditor's Report

To the Shareholder of L&T Infotech Financial Services Technologies Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of L&T Infotech Financial Services Technologies Inc. (“the Company”) which comprise the statements of financial position as at March 31, 2020 and March 31, 2019 and the statements of income and retained earnings, and statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of L&T Infotech Financial Services Technologies Inc. as at March 31, 2020 and March 31, 2019 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for private enterprises.

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the management 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.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Harshad Parekh.

KNAV Professional Corporation

KNAV Professional Corporation

Chartered Professional Accountants

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

55 York Street, Suite 401,

Toronto Ontario M5J 1R7

Date: May 07, 2020




Balance sheets

(All amounts in Canadian Dollars, unless otherwise stated)

	Notes	As at	
		March 31, 2020	March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	6	11,269,611	9,453,437
Demand deposits with bank	7	3,500,000	10,000,000
Accounts receivable	9	10,907,626	8,137,413
Unbilled revenue		633,240	-
Prepaid expenses	10	1,352,246	1,535,260
Related party loan	12	690,000	850,000
Other current assets	11	602,087	108,838
Total current assets		\$ 28,954,810	30,084,948
Restricted deposits	8	1,200,000	1,200,000
Other non-current assets	13	2,823,081	1,271,957
Computers	14	2,834,584	3,385,975
Furniture and office equipment	15	78,282	228,834
Software	16	6,960,859	10,259,558
Leasehold improvement	17	66,410	35,058
Customer relationship intangibles	18	1,553,250	3,624,250
Goodwill		6,822,971	6,822,971
Future tax assets, net	28	51,994	-
Total assets		\$ 51,346,241	56,913,551
LIABILITIES			
Current liabilities			
Accounts payable	19	1,575,982	3,028,241
Deferred revenue		-	12,301
Other current liabilities	20	1,986,552	4,993,312
Total current liabilities		\$ 3,562,534	8,033,854
Future tax liabilities	28	-	438,976
Other non-current liabilities	21	436,086	591,989
Total liabilities		\$ 3,998,620	9,064,819
SHAREHOLDER'S EQUITY			
Share capital	22	37,500,000	37,500,000
Retained earnings	23	9,847,621	10,348,732
Total shareholder's equity		\$ 47,347,621	47,848,732
Total liabilities and shareholder's equity		\$ 51,346,241	56,913,551

(The accompanying notes are an integral part of these financial statements)

APPROVED ON BEHALF OF THE BOARD:

		 Tina Allan (May 8, 2020)
		Director: Tina Allan
CFO: Alekh Gupta		 Harsh Naidu (May 11, 2020)
		Director: Harsh Naidu




Statements of income and retained earnings

(All amounts in Canadian Dollars, unless otherwise stated)

	Notes	For the year ended	
		March 31, 2020	March 31, 2019
Revenue	25	57,317,109	56,279,481
Other income	26	234,544	181,302
Total revenue		\$ 57,551,653	56,460,783
Employee cost		14,494,536	12,099,949
Subcontracting expenses		7,925,306	5,990,864
Data centre lease rent		662,889	637,611
Software purchase annual license fee		1,913,152	1,510,280
Hardware purchase annual maintenance fee		604,826	753,876
Other direct cost		399,268	373,757
Total direct expenses		\$ 25,999,977	21,366,337
Sales and administration expenses		3,608,864	4,313,436
Premises rent		870,703	1,013,320
Professional charges		275,305	270,972
General repairs and maintenance		26,028	11,564
Travelling and conveyance		184,170	200,793
Telephone expenses		180,926	173,238
Auditor's remuneration		77,717	76,352
Foreign exchange loss		17,273	2,289
Miscellaneous expenses		23,186	67,983
Total indirect costs		\$ 5,264,172	6,129,947
Depreciation and amortization		7,983,080	9,277,297
Income before tax		\$ 18,304,424	19,687,202
Current income tax	28	5,496,505	6,432,076
Future income tax benefit	28	(490,970)	(1,063,798)
Net income after taxes		13,298,889	14,318,924
Retained earnings, beginning of the period		10,348,732	2,029,808
Dividend distribution	23	(13,800,000)	(6,000,000)
Retained earnings, end of the period		\$ 9,847,621	10,348,732

(The accompanying notes are an integral part of these financial statements)

APPROVED ON BEHALF OF THE BOARD:

		
		Director: Tina Allan
CFO: Alekh Gupta		
		Director: Harsh Naidu

Statements of cash flows

(All amounts in Canadian Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
Cash flow from operating activities		
Net income after tax	13,298,889	14,318,924
Adjustments for non-cash items		
Depreciation and amortization	7,983,080	9,277,297
Future income taxes	(490,970)	(1,063,798)
Loss on disposal of assets	72,091	-
Unrealised exchange loss	12,626	2,289
Interest income	(234,544)	(181,320)
Net change in non-cash operating working capital		
Accounts receivable	(2,770,241)	(864,672)
Unbilled revenue	(633,240)	22,135
Prepaid expenses	183,014	(350,000)
Other current assets	(502,266)	11,380
Other non-current assets	(1,551,124)	(449,096)
Deferred revenue	(12,301)	(171,036)
Accounts payable	(1,454,895)	1,028,506
Other current liabilities	(717,031)	(493,341)
Non-current liabilities	(155,903)	(128,420)
Net cash provided by operating activities	\$ 13,027,185	20,958,848
Cash flow from investing activities		
Related party loan advanced	-	(690,000)
Repayment of related party loan advanced	160,000	130,000
Interest received	241,829	148,367
Purchases of computers	(301,318)	(662,212)
Purchases of furniture and office equipment	(10,615)	(49,223)
Capitalization of software	(1,655,118)	(1,741,663)
Purchase of hardware	(2,289,729)	-
Leasehold improvement capitalized	(46,802)	(37,980)
Withdrawal (placement) of demand deposits with bank	6,500,000	(5,500,000)
Net cash provided by (used in) investing activities	\$ 2,598,247	(8,402,711)
Cash flow from financing activities		
Dividend distribution	(11,730,000)	(5,100,000)
Withholding tax on dividend	(2,070,000)	(900,000)
Net cash used in financing activities	\$ (13,800,000)	(6,000,000)
Net foreign exchange difference on cash and cash equivalents	(9,258)	(5,757)
Net increase in cash and cash equivalents	1,816,174	6,550,380
Cash and cash equivalents, at beginning of the year	9,453,437	2,903,057
Cash and cash equivalents, at end of the year	\$ 11,269,611	9,453,437




Statements of cash flows

Supplemental non-cash flow information:

Purchase of computer equipment under financing arrangement	\$	-	2,289,729
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(The accompanying notes are an integral part of these financial statements)

APPROVED ON BEHALF OF THE BOARD:

		 Tina Allan (May 8, 2020)
 CFO: Alekh Gupta		Director: Tina Allan
		 Director: Harsh Naidu

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Notes to Financial Statements

(All amounts in Canadian Dollars, unless otherwise stated)

1. Description of business

L&T Infotech Financial Services Technologies Inc. (the "Company" or "LTIFST") is incorporated under the Canada Business Corporations Act. The Company is a wholly owned subsidiary of Larsen & Toubro Infotech Ltd., India ("Parent"). The Company commenced operations on January 1, 2011 with the acquisition of the information technology operations business of Citigroup Fund Services Canada Inc. ("Citi" or "CFSC") by the Company's Parent. LTIFST is a technology service provider and owns and develops variety of products and services used by the financial services marketplace in Canada.

2. Basis of presentation

The financial statements of the Company have been prepared by the management in accordance with Canadian accounting standards for private enterprises ("GAAP"). The financial statements are presented for the year April 01, 2019 to March 31, 2020 and for the year April 01, 2018 to March 31, 2019. All amounts are in Canadian dollars, unless otherwise stated.

3. Basis for measurement

The financial statements have been prepared on historical cost basis.

4. Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar.

5. Significant accounting policies

Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management bases the estimates on a number of factors, including historical experience, current events and actions that the Company may undertake in the future and other assumptions that the Company believes are reasonable under the circumstances. Estimates are used in accounting for items and matters such as revenues, allowance for doubtful accounts, useful lives of non-current assets, legal and tax contingencies, employee compensation plans, income taxes and investment tax credit.

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

- i. Estimated useful lives and valuation of intangible assets: Management estimates the useful lives of intangible assets based on the period during which the assets are expected to be available for use and also estimates their recoverability to assess if there has been an impairment. The amounts and timing of recorded expenses for amortization and impairments of intangible assets for any period are affected by these estimates. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, threats and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's intangible assets in the future.

- ii. Income taxes: Management uses estimates when determining current and future income taxes. These estimates are used to determine the recoverability of tax loss carry forward amounts, research and development expenditure and investment tax credits.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the Canadian dollar at the rate of exchange in effect at the time of the transaction. Monetary assets and liabilities are translated into Canadian dollars at the period-end exchange rate. Non-monetary items are translated at historical rates. All exchange gains and losses are included in net income.

Dividend

Dividends are recognized as a liability in the period in which they are declared. The income tax consequences of dividends are recognized when a liability to pay the dividend is recognized.

Revenue recognition

The Company recognizes revenues across all the revenue streams when they are earned, specifically when all the following conditions are met:

- a) Services are provided to customers;
- b) There is clear evidence that an arrangement exists;
- c) Amounts are fixed or can be determined; and
- d) The ability to collect is reasonably assured.

The Company recognizes revenues for different revenue streams as follows:

- Application Service Provider (“ASP”) Service: Revenue is recognized by applying the contracted rates on the total number of active and inactive fund accounts across all client customer environments.
- Time and Material Service: Revenue with respect to time-and-material contracts is recognized as related services are performed applying the contracted rates.
- Development Service: Revenue from development service is recognised using percentage of completion method. It is measured based upon the time and material efforts incurred to date. The Company monitors estimates of total contract revenue and cost on a routine basis through the delivery period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Revenue recognised under this method is included in unbilled revenue if it is not invoiced by the year end.
- License Service: Revenue from sale of license is recognized rateably over the term of arrangement.
- Others: This includes ASP revenue from non-transfer agency modules for which revenue is recognised as mentioned for ASP service above, and fixed monthly billing for which revenue is recognised based on time elapsed.

Deferred revenue on the accompanying balance sheet represents amounts collected or billed prior to satisfying the above revenue recognition criteria.

Unbilled revenue on the accompanying balance sheet represents amounts not billed to the customers but accrued because of satisfying the above revenue recognition criteria.

Provision for doubtful debts

The Company follows specific identification method for providing for doubtful debts. Management analyses accounts receivable and the composition of the accounts receivable ageing, historical bad debts, when evaluating the adequacy of the allowance for doubtful debts.

Deferred contract costs

Deferred contract costs are costs to fulfil a contract which are recognised as assets and amortized over the term of the contract.

Financial instruments

Financial instruments are measured at fair value on initial recognition. After initial recognition, financial instruments are measured at their fair values, except for loans and receivables and other financial liabilities, which are measured at amortized cost using the effective interest rate method. The Company has made the following classifications:

- Cash and cash equivalents are classified as assets held for trading and are measured at fair value. Gains and losses resulting from the periodic revaluation are recorded in net income;
- Accounts receivable are classified as loans and receivables and are initially recorded at fair value and subsequent measurements are recorded at amortized cost using the effective interest rate method; and
- Accounts payable and accrued liabilities are classified as other financial liabilities and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

The carrying value of cash and cash equivalent, accounts receivable and accounts payable equals or approximates the fair value.

Leases

Lease payments under operating lease are recognized as an expense on a straight-line basis over the lease term in the statement of income. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

Income taxes

The Company follows asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis [temporary differences]. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years during which temporary differences are expected to be realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date. A valuation allowance is provided to the extent that it is more likely than not; that future income tax asset will not be realized.

Investment tax credit

The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Income tax investment tax credits related to expensed research and development costs are recorded as a reduction of the total expenditure. Income tax investment tax credits related to property and equipment are accounted for as a reduction in the cost of the related asset.

Cash and cash equivalents

Cash and cash equivalents, including cash on account, demand deposits and short-term investments with original maturities of three months or less, are recorded at cost, which approximates market value. Restricted cash deposits do not form part of cash and equivalents.

Computer, software, furniture, office equipment and leasehold improvements

Computers, software, furniture, leasehold improvements and office equipment form part of capital assets and are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on the straight-line method over the following estimated useful lives:

Class of asset	Useful life
Computers	3 to 5 years
Acquired software	10 years
Internally developed software	1 to 5 years
Furniture	5 years
Office equipment	5 years
Leasehold improvements	Over the period of lease term

Leasehold improvements are amortized in a similar manner to other property and equipment. The Company amortizes leasehold improvements over the remaining term of the lease.

Any gain or loss on disposal of an item of property and equipment is recognized in statement of income. Certain costs are capitalized for the development or enhancement of computer software used internally to process customer transactions. Routine software maintenance and customer support costs are expensed when incurred.

Customer relationship intangibles

Customer relationship intangibles, which are comprised of customer contracts and relationships acquired, are stated net of amortization. Customer relationship intangibles are amortized on a straight-line basis over their estimated useful lives of ten years.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. This assessment is based on the carrying amount of the asset at the date it is tested for recoverability, whether it is in use or under development. In cases where the undiscounted expected future cash flows are less than the carrying amount, an impairment loss shall be recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. If an impairment loss is recognized, the adjusted carrying amount becomes the new cost basis. An impairment loss shall not be reversed if the fair value subsequently increases.

Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is not amortized but is instead tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the reporting unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognized, up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed.

Investments

The Company has elected to account for its investment of 1% in L&T Infotech S De RL DE CV (“LTIL Mexico”) using the cost method. Accordingly, investment is recorded at original cost unless there is a permanent impairment in value, in which case the investment will be written down to fair value. Investment in LTIL Mexico amounting to CAD 2 has been presented under ‘other non-current assets’ in the balance sheet.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	As at	
	March 31, 2020	March 31, 2019
Balances with bank		
In current account	969,611	2,853,437
In deposit account	10,300,000	6,600,000
Total	11,269,611	9,453,437

7. DEMAND DEPOSIT WITH BANK

Demand deposits with bank comprise following:

	As at	
	March 31, 2020	March 31, 2019
<u>Demand deposits with bank</u>		
Current	3,500,000	10,000,000
Total	3,500,000	10,000,000

Current demand deposits are demand deposits with the bank maturing within twelve months. Following is the schedule depicting the issue date, original principal, the currency in which the deposits are denominated and the maturity date of the total current demand deposits as on March 31, 2020.

Serial no.	Issue date	Original principal	Currency	Maturity date
1.	December 17, 2019	1,500,000	CAD	May 15, 2020
2.	January 17, 2020	2,000,000	CAD	May 15, 2020
Total		3,500,000		

The carrying amount of the demand deposits represent fair value as on March 31, 2020.

8. RESTRICTED DEPOSIT

The Company's restricted deposits include the following:

	As at	
	March 31, 2020	March 31, 2019
Fixed deposit with an escrow deposit account	1,200,000	1,200,000
Total	1,200,000	1,200,000

This long-term deposit has been created as a part of an agreement with a customer along with an escrow agent. As per the services agreement with the customer, the deposit may be withdrawn to satisfy any shortfall in the Company's obligation to pay damages in accordance with the provisions of the agreement. This fund can only be drawn upon mutual agreement and subject to terms and conditions of the escrow agreement. Funds will be in the escrow account until the end of client's contract i.e. February 15, 2021 with options for renewals. As on March 31, 2020 and March 31, 2019, the funds were not invested and lying as cash in an interest-bearing deposit account.

9. ACCOUNTS RECEIVABLE

	As at	
	March 31, 2020	March 31, 2019
Trade receivables		
Due from related parties	2,052	78,521
Due from others	10,905,574	8,058,892
Total	10,907,626	8,137,413

The provision for doubtful accounts was \$Nil and \$Nil as at March 31, 2020 and March 31, 2019, respectively.

10. PREPAID EXPENSES

	As at	
	March 31, 2020	March 31, 2019
Prepaid expenses, current	1,352,246	1,535,260
Total	1,352,246	1,535,260

The Company pays hardware maintenance fees and software license fees in advance for which services are availed over 2-5 years based on the contracts. These expenses are amortized on a straight-line basis over their economic life. Prepaid expenses for which maintenance services will be availed after March 31, 2021 till end of their economic life are treated as non-current assets.

11. OTHER CURRENT ASSETS

	As at	
	March 31, 2020	March 31, 2019
Deposits	14,120	8,680
Interest accrued on bank deposits	26,852	61,118
Other assets	15,588	13,766
Deferred contract costs	48,309	-
Advance to vendor	18,576	-

Advance tax, net of provision for tax	427,387	-
Interest receivable from LTIL Mexico	51,255	25,274
Total	602,087	108,838

12. RELATED PARTY LOAN

The Company has entered into an agreement with LTIL Mexico for providing loan facility. The loan is repayable within 3 years from the date of first withdrawal of the loan facility. Maximum principal outstanding as on any date can be \$ 1,200,000 as per the agreement.

During the year ended March 31, 2020, \$ 160,000 was repaid by LTIL Mexico. During the year ended March 31, 2019, the Company advanced \$690,000 to LTIL Mexico and \$130,000 was repaid.

	As at	
	March 31, 2020	March 31, 2019
Opening principal outstanding	850,000	290,000
Loan advanced to LTIL Mexico	-	690,000
Repayment during the year	(160,000)	(130,000)
Total	690,000	850,000

Interest income in the current year, on loan advanced, amounted to \$ 41,310 (March 2019 - \$ 27,452) and interest outstanding as on March 31, 2020 amounted to \$ 51,255 (March 2019 - \$ 25,274). Rate of interest as of March 31, 2020 and March 31, 2019 was 5.00% and 5.00%, respectively.

13. OTHER NON-CURRENT ASSETS

	As at	
	March 31, 2020	March 31, 2019
Prepaid expenses, non-current	1,884,815	1,245,195
Deposits, others	26,760	26,760
Deferred contract costs, non-current	911,504	-
Investment in LTIL Mexico	2	2
Total	2,823,081	1,271,957

The Company invested in LTIL Mexico on July 20, 2017 an amount of \$ 2.12 (representing 1 % of total share capital).

14. COMPUTERS

	As at	
	March 31, 2020	March 31, 2019
Cost	11,493,562	11,169,378
Less: accumulated depreciation	(8,658,978)	(7,783,403)
Total	2,834,584	3,385,975

Depreciation expense for the year ended March 31, 2020 amounted to \$ 875,575 (March 31, 2019 - \$ 706,046).

15. FURNITURE AND OFFICE EQUIPMENT

	As at	
	March 31, 2020	March 31, 2019
Cost	965,530	1,149,239
Less: accumulated depreciation	(887,248)	(920,405)
Total	78,282	228,834

Depreciation expense for the year ended March 31, 2020 amounted to \$ 66,739 (March 31, 2019 - \$ 74,143). During the year ended March 31, 2020, the Company has scrapped its signage having net book value of \$ 72,091 (Gross block of \$ 172,022; accumulated depreciation of \$ 99,931)

16. SOFTWARE

	As at	
	March 31, 2020	March 31, 2019
Cost	74,135,502	72,480,416
Less: accumulated amortization	(67,174,643)	(62,220,858)
Total	6,960,859	10,259,558

Amortization expense for the year ended March 31, 2020 amounted to \$ 4,953,785 (March 31, 2019 - \$ 6,423,148).

17. LEASEHOLD IMPROVEMENT

	As at	
	March 31, 2020	March 31, 2019
Cost	84,782	37,980
Less: accumulated depreciation	(18,372)	(2,922)
Total	66,410	35,058

Depreciation expense for the year ended March 31, 2020 amounted to \$ 15,451 (March 31, 2019 - \$ 2,922).

18. CUSTOMER RELATIONSHIP INTANGIBLES

	As at	
	March 31, 2020	March 31, 2019
Cost	20,710,000	20,710,000
Less: accumulated amortization	(19,156,750)	(17,085,750)
Total	1,553,250	3,624,250

Amortization expense for the year ended March 31, 2020 amounted to \$ 2,071,000 (March 31, 2019 - \$ 2,071,000).

19. ACCOUNTS PAYABLE

	As at	
	March 31, 2020	March 31, 2019
Accounts payable		
Due to related parties	659,951	2,360,539

Other payables	916,031	664,868
Due to others	-	2,834
Total	1,575,982	3,028,241

20. OTHER CURRENT LIABILITIES

	As at	
	March 31, 2020	March 31, 2019
Provision for income tax, net of advance taxes	-	611,930
Sales tax payable	568,808	549,414
Provision for employee benefits	1,260,838	1,293,246
Asset purchase obligation*	-	2,289,729
Other liabilities	156,906	248,993
Total	1,986,552	4,993,312

*During the year ended March 31, 2019, the Company purchased computer equipment under a short-term finance arrangement. As per the terms of the agreement, the Company is required to make equal monthly instalments beginning April 2019 towards the obligation, that was expired by December 2019.

21. OTHER NON-CURRENT LIABILITIES

	As at	
	March 31, 2020	March 31, 2019
Lease equalisation reserve	436,086	591,989
Total	436,086	591,989

22. SHARE CAPITAL

	As at	
	March 31, 2020	March 31, 2019
Authorization		
Unlimited common shares		
Issued: 1,000,000 common shares issued at \$ 62.5	37,500,000	37,500,000
Total	37,500,000	37,500,000

23. RETAINED EARNINGS

	As at	
	March 31, 2020	March 31, 2019
Retained earnings, beginning of the year	10,348,732	2,029,808
Add: Profit earned during the year	13,298,889	14,318,924
Less: Dividend distributed during the year	(13,800,000)	(6,000,000)
Total	9,847,621	10,348,732

During the year ended March 31, 2020, interim dividend was paid to parent company of \$ 13,800,000 (March 31, 2019: \$ 6,000,000). Withholding tax thereon amounting to \$ 2,070,000 (March 31, 2019: \$ 900,000) was deposited to government within due dates prescribed by the CRA.

24. FINANCIAL INSTRUMENTS

In the normal course of business, the Company is exposed to financial risks that may potentially impact its operating results. The Company employs risk management strategies with a view to mitigating these risks on a cost-effective basis.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash equivalents and accounts receivable. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

Cash equivalents consist mainly of short-term investments, such as bank deposits. No asset-backed commercial paper products were held. The Company has deposited the cash equivalents with a reputable financial institution, from which management believes the risk of loss to be remote.

The Company's accounts receivable is from customers engaged in the fund management sector. As at March 31, 2020, top five customers accounted for 86% [March 31, 2019 – top five customers accounted for 73%] of the accounts receivable.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Certain of the Company's purchases are denominated in U.S. dollars & Great Britain Pounds. As at March 31, 2020, the accounts payable and accrued liabilities denominated in U.S. dollars amounted to USD \$ 53,270; and in Great Britain Pound amounted to GBP 24,209 [March 31, 2019 – USD \$ 251,091].

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. Accounts payable are primarily due within 90 days and will be satisfied from current working capital.

25. REVENUE FROM OPERATIONS

Revenue stream	Year ended	
	March 31, 2020	March 31, 2019
Application service provider (ASP) service – Transfer agency	35,367,058	34,224,947
Development service	12,104,797	13,310,446
License service	4,036,039	3,839,810
Time and material service	1,059,052	1,323,108
Other services	4,750,163	3,581,170
Total	57,317,109	56,279,481

26. OTHER INCOME

	Year ended	
	March 31, 2020	March 31, 2019
Interest income from bank deposits	186,482	153,850
Interest income from related party loan advanced	41,310	27,452
Interest income from others	6,752	-
Total	234,544	181,302

27. EMPLOYEE FUTURE BENEFITS

The Company sponsors pension arrangements for substantially all its employees through defined contribution plans. The Company makes regular contributions to the employees' individual accounts, which are administered by a plan trustee, in accordance with the plan documents. The cost of this plan, which is expensed as incurred, amounted \$ 336,376 for the year ended March 31, 2020. [March 31, 2019: \$242,415.]

28. INCOME TAX

A reconciliation of income taxes at Canadian statutory rates with the reported income taxes is as follows:

	Year ended	
	March 31, 2020	March 31, 2019
Statutory federal and provincial income tax rates	26.5%	26.5%
Expected taxes on income	4,850,672	5,217,107
<u>Increase in income taxes resulting from</u>		
Non-deductible items	14,385	4,565
True-up of tax provision	3,274	9,402
Others	137,204	137,204
Provision for income taxes	5,005,535	5,368,278

The income tax effects of temporary differences that gave rise to significant portions of the future income tax assets and future income tax liabilities were as follows:

	As at	
	March 31, 2020	March 31, 2019
Future income tax assets		
Accounts payable and accrued liabilities	-	7,262
Deferred rent	157,125	191,978
Customer relationship intangible	727,821	557,066
Total	884,946	756,306
Future income tax liabilities		
Computers and software	832,952	1,195,282
Total	832,952	1,195,282
Net future tax assets (liabilities)	(51,994)	(438,976)

29. COMMITMENTS AND CONTINGENCIES

The Company has operating leases for its premises for Matheson Office. The annual minimum payments under the operating leases is as follows:

	<u>Amount (\$)</u>
March 31, 2021	1,291,095
March 31, 2022	1,341,140
Thereafter	1,363,461

30. RELATED PARTY TRANSACTIONS

A. Related parties:

- a. Larsen & Toubro Infotech Limited, India - parent company
- b. Larsen & Toubro Infotech Limited., UK – branch of Larsen & Toubro Infotech Limited., India
- c. Larsen & Toubro Infotech Limited., USA – branch of Larsen & Toubro Infotech Limited., India
- d. Larsen & Toubro Infotech Canada Limited – fellow subsidiary
- e. L&T Technology Services Limited - fellow subsidiary
- f. L&T Infotech S De RL DE CV (“LTIL Mexico”) – fellow subsidiary

B. Summary of transactions with related parties are as follows:

	<u>Year ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Expenses reimbursed by:		
Larsen & Toubro Infotech Canada Limited	\$ 607,491	267,047
Larsen & Toubro Infotech Limited., India	\$ -	895
L&T Technology Services Limited	\$ 7,971	9,734
Larsen & Toubro Infotech Limited., USA	\$ -	1,020
Larsen & Toubro Infotech Limited., UK	\$ -	6,662
Expenses reimbursed to:		
Larsen & Toubro Infotech Canada Limited.	\$ 76,285	71,264
Larsen & Toubro Infotech Limited., India	\$ -	-
Larsen & Toubro Infotech Limited., USA	\$ 44,251	38,806
Larsen & Toubro Infotech Limited., UK	\$ 53,181	92,802
Procurement of goods/services		
Larsen & Toubro Infotech Canada Limited	\$ 298,253	14,136
Larsen & Toubro Infotech Limited., India	\$ 6,540,133	5,790,241
Larsen & Toubro Infotech Limited., USA	\$ 138,212	232,771
Related party loan advanced		
LTIL Mexico	\$ -	690,000
Related party loan repaid		
LTIL Mexico	\$ 160,000	130,000

Interest income

LTIIL Mexico	\$	41,310	27,452
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Dividend distributed

Larsen & Toubro Infotech Limited, India	\$	13,800,000	6,000,000
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Consulting services rendered to

Larsen & Toubro Infotech Canada Limited	\$	-	30,068
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These transactions are under normal credit terms and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following balances are due to (due from) related parties and are non-interest bearing:

	As at	
	March 31, 2020	March 31, 2019
Larsen & Toubro Infotech Limited, USA	11,106	242,658
Larsen & Toubro Infotech Canada Limited	3,603	(77,615)
Larsen & Toubro Infotech Limited, India	601,987	2,016,279
L&T Technology Services Limited	(2,052)	(907)
Larsen & Toubro Infotech Limited, UK	40,995	101,602
LTIIL Mexico	(741,255)	(875,274)

Parent guarantee: Larsen & Toubro Infotech Ltd., India (Parent) has provided guarantee to one of the customers of the Company. The obligation of Larsen & Toubro Infotech Limited, India is limited in aggregate to the amount of \$ 70,000,000.

31. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period. The reclassification has no impact on the reported net income and retained earnings.

32. RISKS AND UNCERTAINTIES

The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

33. SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2020 through May 07, 2020; the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions, that would require recognition or disclosure in the financial statements.

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Directors Report

The directors submit their report for the period ended 31 March 2020.

1. Incorporation

The company was incorporated on 5th April 2011 and obtained its certificate to commence business on the same day. 2012 was the first year of operation for the company, with operations beginning on 1st December 2012.

2. Review of activities

The company is engaged in providing IT & outsourcing support & all other related IT services to the customers in South Africa.

3. Events after the reporting period

There were no significant events that occurred in the Company since the end of the financial year to the date of this report.

4. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the company will continue to receive the support of its related companies and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

5. Authorised and issued share capital

The company issued no new shares during the period under review, with total issued share capital of 443 725 shares. There are 6 275 unissued authorised shares.

6. Dividends

In order to conserve the resources for future growth, no dividends is recommended for the FY20.

7. Directors

The following persons served as directors during the period under review and to the date of issue of the financial statements:

Mr. Ravindra Pravin Desai	Appointed on the 20th of March 2013
Mr. Sudhir Chaturvedi	Appointed on the 14th of September 2016
Ms. Zel Mari Oelofse	Appointed on the 14th of August 2019 and Resigned on the 19th of March 2020
Ms. Tamara Naidoo	Appointed on the 14th of August 2019
Mr. Pule Moiloa	Appointed on the 14th of August 2019
Ms. Premilla Pillay	Resigned on the 14th of August 2019
Mr. Satyakanta Samal	Resigned on the 14th of August 2019

8. External auditor

Levitt Kirson Chartered Accountants (SA) will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa, 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of Larsen & Toubro Infotech South Africa (Pty) Ltd as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment.

To enable these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year ended 31 March 2020 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is appended herewith.

The annual financial statements have been prepared on the going concern basis and these were approved by the directors on 27 April 2020 and were signed on its behalf by:

Sudhir Chaturvedi
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Larsen and Toubro Infotech South Africa (Pty) Ltd

Opinion

We have audited the annual financial statements of Larsen and Toubro Infotech South Africa (Pty) Ltd set out on pages 8 to 19, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Larsen and Toubro Infotech South Africa (Pty) Ltd as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Levitt Kirson
Per M Botha
Chartered Accountant (SA)
Registered Auditor
Johannesburg
27 April 2020

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Providing IT & outsourcing support & all other related IT services to the customers in South Africa.
Directors	Mr. Ravindra Pravin Desai Mr. Sudhir Chaturvedi Mr. Pule Moiloa Ms. Tamara Naidoo
Registered office	First Floor Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg Gauteng 2196
External auditors	Levitt Kirson Chartered Accountants (SA) Registered Auditors
Business address	4th Floor, Aloe Grove Houghton Estate Office Park 2 Osborn Road Houghton 2198
Postal address	PO Box 225 Highlands North 2037
Registration number	2011/007226/07
Bankers	ABSA State Bank of India

Compliance statement by the corporate secretary

The Secretarial Agent, Kilgetty Statutory Services (Pty) Ltd certifies that, according to company records, the Company has lodged with the Registrar of Companies all such returns as are required of a company in terms of the Companies Act 2008 and that all such returns are true, correct and up to date in respect of the reporting period ended 31 March 2020.

Financial Statements

The financial statements were externally prepared by Levitt Kirson Business Services (Pty) Ltd.

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Statement of Financial Position At 31 March 2020

	Notes	2020 R	2019 R
Assets			
Non-Current Assets			
Deferred taxation	2	697,041	994,318
		<u>697,041</u>	<u>994,318</u>
Current Assets			
Cash and cash equivalents	3	15,867,661	21,152,017
Trade and other receivables	4	17,186,939	18,363,702
Current tax receivable		-	1,437,580
		<u>33,054,601</u>	<u>40,953,299</u>
Total Assets		<u>33,751,641</u>	<u>41,947,617</u>
Equity and Liabilities			
Equity			
Stated capital	4	443,725	443,725
Accumulated profit		9,302,395	6,700,502
Total Equity		<u>9,746,120</u>	<u>7,144,227</u>
Liabilities			
Current Liabilities			
Trade and other payables	5	23,909,262	34,803,390
Current tax payable		96,259	-
Total Liabilities		<u>24,005,521</u>	<u>34,803,390</u>
Total Equity and Liabilities		<u>33,751,641</u>	<u>41,947,617</u>

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Statement of Comprehensive Income

	Notes	2020 R	2019 R
Revenue	7	45,558,841	50,319,687
Cost of sales		<u>(28,805,490)</u>	<u>(43,231,847)</u>
Gross profit		16,753,351	7,087,840
Other income		333,042	127,445
Interest received	8	1,003,622	921,257
Operating expenses		<u>(14,459,584)</u>	<u>(11,026,108)</u>
Operating profit/ (loss)		3,630,431	(2,889,566)
Finance costs		-	-
Profit/ (loss) before taxation		3,630,431	(2,889,566)
Taxation	9	<u>(1,028,538)</u>	<u>772,678</u>
Profit/ (loss) for the year		<u>2,601,893</u>	<u>(2,116,888)</u>

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Statement of changes in equity

	Accumulated profit R	Stated capital capital R	Total equity R
Balance at 01 April 2018	8,817,390	443,725	9,261,115
Loss for the year	(2,116,888)	-	(2,116,888)
Balance at 31 March 2019	6,700,502	443,725	7,144,227
Profit for the year	2,601,893	-	2,601,893
Balance at 31 March 2020	9,302,395	443,725	9,746,120
Note		4	

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Statement of Cash Flows

	Notes	2020 R	2019 R
Cash flows (utilised in) generated from operating activities			
Cash used in operations	10	(7,090,555)	3,341,562
Interest received	8	1,003,622	921,257
Income taxes paid	11	802,577	(636,990)
Net cash from operating activities		<u>(5,284,356)</u>	<u>3,625,829</u>
Total cash movement for the year		(5,284,356)	3,625,829
Cash at the beginning of the year		<u>21,152,017</u>	<u>17,526,188</u>
Total cash at end of the year	3	<u>15,867,661</u>	<u>21,152,017</u>

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for those assets and liabilities stated at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when Larsen and Toubro Infotech South Africa (Pty) Ltd becomes a party to the contractual provisions of the instruments.

Larsen and Toubro Infotech South Africa (Pty) Ltd classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other payables are classified according to the substance of the contractual arrangements entered into.

1.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

1.4 Income Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income, in which case it is recognized in equity or other comprehensive income.

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.4 Income Taxation (continued)

Current tax

Current tax represents the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous reporting periods.

Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for the financial reporting purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and
- differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.5 Provisions and contingencies

Provisions are recognised when:

- Larsen and Toubro Infotech South Africa (Pty) Ltd has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

The amount recognised for the reimbursement shall not exceed the amount of the provision.

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

1.5 Provisions and (continued)

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

1.7 Adoption of New and Revised Standards

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 31 March 2019, and have not been applied in preparing these financial statements:

		Effective years beginning on or after:
• IFRS 7	Financial Instruments	1 January 2020
• IAS 1	Presentation of financial statements	1 January 2020
• IAS 8	Accounting policies, changes in accounting estimates and errors	1 January 2020

The directors anticipate that all of the above Standards and Interpretations will be adopted in the financial statements of the period in which they become effective and that their adoption will have no material impact on the financial statements in the period of initial application.

1.8 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Management has not made any judgements or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020	2019
2. Deferred tax		
Provision for doubtful debt	526,609	566,463
Provision for expenses	87,126	295,327
Provision for leave pay	60,319	101,619
Provision for employee benefits	(21,362)	-
Prepayments	-	(13,440)
Tax losses available for set off against future taxable income	44,349	44,349
	<u>697,041</u>	<u>994,318</u>
Reconciliation of deferred tax asset		
At the beginning of the year	994,318	221,640
Deductible temporary difference movement on provision for doubtful debt	(39,854)	551,141
Taxable temporary difference movement on provision for employee benefits	(21,362)	-
Deductible temporary difference movement on provision for expenses	(208,201)	181,798
(Taxable) deductible temporary difference movement on provision for leave pay	(41,300)	(3,489)
Taxable temporary difference movement on prepayments	13,440	(1,120)
Increase in tax loss available for set off against future taxable income	-	44,349
	<u>697,041</u>	<u>994,319</u>
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Current accounts	2,238,730	11,600,612
Fixed deposits and call accounts	13,628,932	9,551,404
	<u>15,867,661</u>	<u>21,152,017</u>
4. Trade and other receivables		
Financial instruments:		
Trade receivables	5,942,385	19,267,195
Provision for doubtful debt	(2,507,666)	(2,697,443)
Deposits	61,500	61,500
Other receivables	13,690,720	1,684,451
Non-financial instruments:		
Prepayments	-	48,000
Total trade and other receivables	<u>17,186,939</u>	<u>18,363,702</u>

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements**4. Trade and other receivables (continued)**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. The exposure to credit risk and the creditworthiness of customers is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

The loss allowance provision is determined as follows:

	2020	2020	2019	2019
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 24.49% (2019: 14.93%)	1,457,339	-	2,876,259	-
Less than 60 days past due: 14.21% (2019: 4.87%)	845,484	-	937,422	-
61 - 90 days past due: 1.19% (2019: 60.91%)	70,840	-	11,739,202	-
91 - 180 days past due: 2.03% (2019: 1.44%)	121,063	-	278,313	-
181 - 1 year past due: 15.94% (2019: 3.86%)	948,642	-	744,042	-
More than 1 year past due: 42.38% (2019: 13.99%)	2,507,666	(2,507,666)	2,697,443	(2,697,443)
Total	5,951,034	(2,507,666)	19,272,680	(2,697,443)

2020

2019

5. Stated capital**Authorised**

450 000 ordinary shares at no par value

Issued

443 725 ordinary shares at no par value

443,725

443,725

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020	2019
6. Trade and other payables		
Financial instruments:		
Trade payables	20,275,892	32,604,339
Accruals	2,699,425	1,938,954
Non-financial instruments:		
Value-added taxation	933,945	260,098
Total trade and other payables	<u>23,909,262</u>	<u>34,803,391</u>
7. Revenue		
Revenue from contracts with customers		
Rendering of services	<u>45,558,841</u>	<u>56,142,307</u>
8. Interest received		
Bank	969,294	921,257
Other	34,328	-
	<u>1,003,622</u>	<u>921,257</u>
9. Taxation		
Major components of income tax		
SA Normal tax		
Current year	727,646	-
Prior year underprovision	3,616	-
Deferred tax	297,277	(772,628)
	<u>1,028,538</u>	<u>(772,628)</u>
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate		
Accounting (loss) / profit	3,630,431	(2,889,565)
Tax at the applicable tax rate of 28% (2018: 28%)	1,016,522	(809,078)
Tax effects of adjustments on taxable income		
Prior year underprovision	3,616	-
Non-deductible donations	8,400	36,400
	<u>1,028,538</u>	<u>(772,678)</u>

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020	2019
10. Cash (used in) generated from operations		
(Loss) / profit before taxation	3,630,431	(2,889,566)
Adjustments for:		
Interest received	(1,003,622)	(921,257)
Changes in working capital:		
Trade and other receivables	1,176,764	776,128
Trade and other payables	(10,894,128)	6,376,257
	<u>(7,090,555)</u>	<u>3,341,562</u>

11. Tax paid

Opening balance	1,437,580	800,590
Tax charge	(731,262)	-
Closing balance	96,259	(1,437,580)
Tax refundable (paid)	<u>802,577</u>	<u>(636,990)</u>

12. Related party transactions**12.1 Identity of related parties**

Larsen and Toubro Infotech South Africa (Pty) Ltd is a joint venture between Larsen & Toubro Infotech Limited and Befula Investments (Pty) Ltd in ration of 74.9% : 25.1%, respectively.

Larsen and Toubro Infotech Limited is a South African branch of Larsen and Toubro Infotech Limited.

Larsen and Toubro Infotech South Africa (Pty) Ltd and Larsen & Toubro Infotech Limited (Branch) are related parties in South Africa.

12.2 Balances payable to /receivable from related parties

Inter-group receivables	-	-
Inter-group payables	(20,105,088)	(32,389,144)
	<u>(20,105,088)</u>	<u>(32,389,144)</u>

Inter-group receivable, relates to sales made by Larsen and Toubro Infotech South Africa (Pty) Ltd to Larsen & Toubro Infotech Limited (Branch).

Inter-group payable, relates to expenses to be paid by Larsen and Toubro Infotech South Africa (Pty) Ltd to Larsen and Toubro Infotech Limited (Branch), Larsen and Toubro Infotech Limited (India) and Larsen and Toubro Infotech (UK Branch).

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020	2019
12.3 Transactions with related parties		
Inter-group service income (Larsen & Toubro Infotech Ltd (Branch))	17,570,203	-
Inter-group training cost (Larsen & Toubro Infotech Ltd (India))	-	-
Inter-group marketing cost (Larsen & Toubro Infotech Ltd (Branch))	(3,665,273)	(8,019,253)
Inter-group on-site support fees (Larsen & Toubro Infotech Ltd (Branch))	(11,037,169)	(3,122,060)
Inter-group on-site support fees (Larsen & Toubro Infotech Ltd (India))	(2,673,280)	(4,343,812)
Inter-group marketing cost(Larsen & Toubro Infotech Ltd (India))	(1,807,547)	(2,182,998)
Inter-group marketing cost(Larsen & Toubro Infotech Ltd (UK Branch))	(318,571)	-
Inter-group commission (Larsen & Toubro Infotech Ltd (India))	-	-
	<u>(19,501,840)</u>	<u>(17,668,123)</u>
12.4 Transactions with key management personnel		
Director's fees		
Mr Pule Moiloa	<u>151,333</u>	<u>-</u>

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

Financial Statements for the year ended 31 March 2020

DETAILED INCOME STATEMENT

	Notes	2020 R	2019 R
Revenue			
Services income	7	45,558,841	50,319,687
Cost of sales			
Direct Cost		28,805,490	43,231,847
Purchase of trading goods		-	-
Gross profit		16,753,351	7,087,840
Other income			
Entertainment			
Foreign exchange differences		9,187	127,445
Interest received	8	1,003,622	921,257
Insurance		134,078	-
Provision for doubtful debt		189,777	-
		1,336,664	1,048,702
Gross Income		18,090,015	8,136,542
Expenses		14,459,584	11,026,108
Operating expenses			
Accounting fees		52,294	49,794
Audit fees		80,000	67,000
Bank charges		35,327	19,801
Donations		30,000	130,000
Directors fees		151,333	0
Entertainment		-	31,556
Expected credit loss		145,647	0
Foreign exchange differences		331,683	0
Insurance		-	120,000
Inter group services expense		318,792	927,533
Office expenses		158,232	13,870
Professional fees		552,075	2,416,397
Provision for doubtful debt		-	931,556
Marketing costs		42,500	157,507
Recruitment expenses		1,635	32,027
Salary to non- billable staff		12,200,580	4,931,003
Sponsorship		-	839,513
Staff welfare		165,912	454,104
Training		193,575	-95,552
Operating profit/ (loss)		3,630,431	(2,889,566)
Finance cost		-	-
Profit/ (loss) before taxation		3,630,431	(2,889,566)
Taxation	9	(1,028,538)	772,678
Profit/ (loss) for the year		2,601,893	(2,116,888)

The supplementary information presented does not form part of the annual financial statements

LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LTD

(Registration number 2011/007226/07)

Financial Statements for the year ended 31 March 2020**Tax Reference number: 9204/345/18/6****Tax Computation**

	2020 R
Net loss per income statement	3,630,431
Permanent differences (Non-deductible/Non-taxable)	
Donations not in terms of section 18 A	30,000
Temporary differences	(1,061,697)
Provision for expenses - prior year	(1,054,740)
Provision for expenses - current year	311,165
Provision for leave pay - prior year	(362,925)
Provision for leave pay - current year	215,426
Provision for employee benefits- prior year	(172,739)
Provision for employee benefits- current year	96,447
Prepaid expenditure not limited by s23 h - prior year	48,000
Prepaid expenditure not limited by s23 h - current year	-
Provision for doubtful not deductible - prior year	(2,697,443)
Provision for doubtful not deductible - current year	2,507,666
Allowance for doubtful debt - prior year	674,361
Allowance for doubtful debt - current year	(626,916)
Tax loss for the year	<u>2,598,734</u>
Taxation thereon @ 28%	<u>727,645</u>
Tax liability	
Amount refundable at the beginning of year	(1,437,580)
	806,193
First provisional payment	-
Second provisional payment	-
Interest receivable and prior year adjustments	(30,712)
Tax refunded during the year	836,905
Tax provision for the current year	727,646
Tax payable at the end of the year	<u>96,259</u>

The supplementary information presented does not form part of the annual financial statements

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO. LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

L&T Infotech Technology Services (Shanghai) Co. Ltd.

DIRECTORS' REPORT

Dear Members,

It's a pleasure in presenting the report and Audited Accounts for the year ended December 31, 2019.

1. Financial Results:

Particulars	2019	2018
	RMB	RMB
Total Income	20,381,797	3,966,847
Total Expenditure	19,874,853	5,424,833
Operating Profit / (Loss)	506,944	(1,457,986)
Add: Non-operating Income	20,778	-
Less: Non-operating Costs	302,025	-
Profit / (Loss) before Tax	225,697	(1,457,986)
Less : Tax		-
Net Profit / (Loss) after Tax	225,697	(1,457,986)
Add: Balance b/f from previous year	(2,758,935)	(1,300,949)
Balance available for disposal which directors appropriate as follows:		
Dividend	-	-
Transfer to Reserves	-	-
Balance to be carried forward	(2,533,238)	(2,758,935)

2. Capital Expenditure:

As at 31st December 2019, the gross fixed and intangible assets including leased Assets, stood at RMB 38,521/- and the net fixed and intangible assets, including leased assets, at RMB 15,339/-. Capital Expenditure during the year amounted to RMB 16,991/-.

3. State of Company Affairs:

The gross sales and other income for the financial year under review were RMB 20.40 Mn. as against RMB 3.97 Mn. for the previous financial year registering an increase of 414.33 %. The profit after tax from continuing operations including extraordinary and

exceptional items of RMB 0.23 Mn. for the financial year under review as against loss of RMB 1.46 Mn for the previous financial year.

4. Reporting of Frauds:

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees.

5. Details of Significant & Material Orders Passed by the Regulators or Courts:

During the year under review, there were no material and significant orders passed by the regulators or courts impacting the going concern status and the Company's operations in future.

6. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

There was no change in the Board of Directors & Key Managerial Personnel happened during the year 2019.

7. Financial Statements:

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

8. Auditors:

M/s Shanghai HangLai, Certified Public Accountants are the auditors of the Company. They will continue to be auditors of the Company for the ensuing financial year

9. Directors Responsibility Statement:

The Sole Director of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Director has selected such accounting policies and applied them

consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- c) The Director has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Director has prepared the Annual Accounts on a going concern basis;
- e) The Director has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

10. Acknowledgement

Your Director acknowledge the invaluable support extended by the Government authorities in China and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

Place: Mumbai

Date: April 25, 2020

For and on behalf of the Board

Deepak Khosla
Sole Director

SHLCPAR No. (2020) –SJ04008

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

1. Opinion

We have audited the financial statements of L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD. (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with The Accounting Standards for Small Business.

2. Basis for Opinion

We conducted our audit in accordance with China Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in China, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Small Business and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

4. Auditor's Responsibilities for the Audit of the Financial Statements

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

During the process of our audit in accordance with China Auditing Standards, we exercise professional judgment and maintain professional skepticism. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not finding a material misstatement resulting from fraud is higher than for one resulting from error.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we shall not express unqualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the those Charged with Governance about planned scope and timing of the audit, as well as significant findings from the audit, including notable internal control weaknesses identified from the audit.



Yu Yang, China Certified Public Accountant



Zhong Guo, China Certified Public Accountant

Shanghai HangLai Certified Public Accountants

Shanghai, China

April 25th, 2020

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.
BALANCE SHEET AS AT 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

<u>ITEM</u>	Notes	<u>2019.12.31</u>	<u>2018.12.31</u>
Current assets:			
Cash at bank and in hand	5	925,389.94	181,402.60
Accounts receivable	6	18,940,821.06	2,829,635.95
Other receivables	7	184,979.09	11,880.29
Total current assets		20,051,190.09	3,022,918.84
Non-current assets:			
Fixed assets - cost	8	38,521.14	21,530.00
Less: Accumulated depreciation	9	23,181.93	20,485.32
Fixed assets - net	10	15,339.21	1,044.68
Less: Provision for impairment loss on fixed assets		-	-
Net book value of fixed assets		15,339.21	1,044.68
Total non-current assets		15,339.21	1,044.68
TOTAL ASSETS		20,066,529.30	3,023,963.52

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.
BALANCE SHEET AS AT 31 DECEMBER 2019 (continued)

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ITEM	Notes	<u>2019.12.31</u>	<u>2018.12.31</u>
Current liabilities			
Advances	11	10,295,586.84	856,699.50
Accrued payroll	12	236,609.40	326,948.92
Taxes payable	13	678,514.00	196,843.94
Other payables	14	10,314,257.95	3,327,607.21
Total current liabilities		<u>21,524,968.19</u>	<u>4,708,099.57</u>
Non-current liabilities			
Total non-current liabilities		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>21,524,968.19</u>	<u>4,708,099.57</u>
Owners' equity			
Paid-in capital	15	1,074,799.00	1,074,799.00
Foreign capital		1,074,799.00	1,074,799.00
Capital surplus		-	-
Surplus reserve		-	-
Undistributed profits	16	(2,533,237.89)	(2,758,935.05)
Total owner's equity		<u>(1,458,438.89)</u>	<u>(1,684,136.05)</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>20,066,529.30</u>	<u>3,023,963.52</u>

The accompanying notes form an integral part of these financial statements.

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	<u>Notes</u>	<u>Year ended</u> <u>2019.12.31</u>	<u>Year ended</u> <u>2018.12.31</u>
Total operating revenues		20,381,797.02	3,966,847.10
Incl.: Operating revenues		20,381,797.02	3,966,847.10
Incl.: Revenues from main operation	17	20,381,797.02	3,966,847.10
Revenues from other operation		-	-
Less: Total operating costs		19,874,853.12	5,424,832.63
Incl.: Cost of operation		-	-
Tax and its additions		68,047.59	10,633.75
Selling and distribution expenses		-	-
General and administrative expenses		19,637,233.97	5,477,209.02
Finance expenses		169,571.56	(63,010.14)
Add: Return on investment		-	-
Operating Profit		506,943.90	(1,457,985.53)
Add: Non-operating incomes		20,777.90	-
Less: Non-operating expenses		302,024.64	-
Total profit		225,697.16	(1,457,985.53)
less: Income tax expenses		-	-
Net profit		<u>225,697.16</u>	<u>(1,457,985.53)</u>

The accompanying notes form an integral part of these financial statements.

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	<u>Year ended</u> <u>2019.12.31</u>	<u>Year ended</u> <u>2018.12.31</u>
1. Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	25,065,223.55	2,634,547.59
Cash received relating to other operating activities	22,183.10	1,571.23
Sub-total of Cash Inflows	<u>25,087,406.65</u>	<u>2,636,118.82</u>
Cash paid for goods and services	50,260.21	-
Cash paid to and on behalf of employees	10,687,154.23	2,941,030.55
Payments of taxes and levies	744,645.01	196,506.60
Cash paid relating to other operating activities	12,844,368.72	559,795.35
Sub-total of Cash Outflows	<u>24,326,428.17</u>	<u>3,697,332.50</u>
Net Cash Flows from Operating Activities	<u>760,978.48</u>	<u>(1,061,213.68)</u>
2. Cash Flows from Investing Activities:		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	16,991.14	-
Sub-total of Cash Outflows	<u>16,991.14</u>	<u>-</u>
Net Cash Flows from investing Activities	<u>(16,991.14)</u>	<u>-</u>
3. Cash Flows from Financing Activities:		
Net Cash Flows from Financing Activities	<u>-</u>	<u>-</u>
4. Effect of Foreign Exchange Rate Fluctuation on Cash	<u>-</u>	<u>-</u>
5. Net Increase (decrease) in Cash and Cash Equivalents	<u>743,987.34</u>	<u>(1,061,213.68)</u>
Add: Cash and cash equivalents at the beginning of the reporting period	181,402.60	1,242,616.28
6. Cash and Cash Equivalents at the end of the reporting period	<u>925,389.94</u>	<u>181,402.60</u>

The accompanying notes form an integral part of these financial statements.

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2016	1,074,799.00	-	-	(1,300,949.52)	(226,150.52)
Add: Changes in accounting policies	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-
Beginning Balance at 1 January 2018	<u>1,074,799.00</u>	<u>-</u>	<u>-</u>	<u>(1,300,949.52)</u>	<u>(226,150.52)</u>
Net profit	—	—	—	(1,457,985.53)	(1,457,985.53)
Other comprehensive income	-	-	-	-	-
Capital contribution or reduction by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in year 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,457,985.53)</u>	<u>(1,457,985.53)</u>
Closing Balance at 31 December 2018	<u>1,074,799.00</u>	<u>-</u>	<u>-</u>	<u>(2,758,935.05)</u>	<u>(1,684,136.05)</u>
	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2018	1,074,799.00	-	-	(2,758,935.05)	(1,684,136.05)
Add: Changes in accounting policies	—	—	—	—	—
Corrections of prior period errors	—	—	—	—	—
Beginning Balance at 1 January 2019	<u>1,074,799.00</u>	<u>-</u>	<u>-</u>	<u>(2,758,935.05)</u>	<u>(1,684,136.05)</u>
Net profit	—	—	—	225,697.16	225,697.16
Other comprehensive income	-	-	-	-	-
Capital contribution or reduction by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in year 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,697.16</u>	<u>225,697.16</u>
Closing Balance at 31 December 2019	<u>1,074,799.00</u>	<u>-</u>	<u>-</u>	<u>(2,533,237.89)</u>	<u>(1,458,438.89)</u>

The accompanying notes form an integral part of these financial statements.

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

1 GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

L&T Information Technology Services (Shanghai) Co., Ltd. ("the Company") is a wholly owned foreign enterprise incorporated by LARSEN & TOUBRO INFOTECH LIMITED. The Company was registered at Shanghai Administration of Industry and Commerce, and obtained the Business License for Enterprise as No. 91310000069392188J on June 28th 2013. The registered capital is USD 175000 and the residential address for the Company is Room 1317 No. 35 Dingbian Road Jiading Industry Zone Shanghai. The Company has an approved operating period of 10 years.

The Company's approved scope of business operations includes Computer software (video, publication except) design, development, production, sales of own products and provide after sale service, the commission agent products and computer hardware (excluding auction), enterprise management consulting, business information consulting, computer information engineering technical consultation and services, to undertake service outsourcing in system management and maintenance technical support, information management, software development, data processing. (not related to the management of state-run trade goods; involving quota, license management of goods, in accordance with relevant state regulations apply; involving administrative approval, permit to operate).

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Small Business enterprises" as promulgated by the State of the People's Republic of China.

3 PRINCIPAL ACCOUNTING POLICIES**(a) Accounting period**

The company's accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**(d) Foreign currency translation**

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the day in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

Receivables comprise accounts receivable and other receivables. The direct write-off method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of the non-payment.

(1) Accounts receivable

Accounts receivable comprises related party receivables and receivables from non-related

The Company makes specific bad debts provision on an individual basis for accounts receivable that are distinctively different from any other receivable in recoverability. If there are indications that the balances cannot be recovered, the specific provision will be adjusted accordingly.

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(f) Receivables and provision for bad debts (Continued)

(2) Other receivable

Specific provisions are made for other receivables on an individual basis.

(3) Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	<u>Estimated Useful Lives</u>	<u>Estimated Residual Value</u>	<u>Annual Depreciation Rate</u>
Office and electronic equipment	3yrs	0%	33.33%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

(h) Revenue recognition

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(j) Accounting for income taxes

The Company accounts for enterprise and local income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

4 TAXATION

(a) Corporate income tax

The applicable enterprise income tax rate is 25%.

(b) Value added tax

The company for the small scale taxpayer of value added tax From Jan 2019 to April 2019, the tax rate is 3%, the input tax shall be credited against.

The company for the general taxpayer of value added tax From May 2019 to Dec 2019, the tax rate is 6%.

(c) Individual income tax

Employees' income is subject to individual income tax, and the Company withhold amounts from employees and send the withheld amounts to the tax authorities.

5 MONETARY ASSETS

	<u>2019.12.31</u>	<u>2018.12.31</u>
Cash at bank	925,389.94	181,402.60
Total	<u>925,389.94</u>	<u>181,402.60</u>

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

6 ACCOUNTS RECEIVABLE

2019.12.31	2018.12.31
18,940,821.06	2,829,635.95

The ageing as at year end are as follows:

	2019.12.31		2018.12.31	
	Amount	%	Amount	%
Within 1 yr	18,940,821.06	100.0%	2,829,635.95	100.0%
Total	18,940,821.06	100%	2,829,635.95	100%

Debtors with large amounts:

<u>Name of Debtors</u>	<u>Ending Balance</u>
LTI- US Branch	USD 228,613.00
LTI- US Branch	CNY 4,389,667.68
LTTS	CNY 390,856.17
L&T Infotech Ltd	USD 6,750.00
LTI- Singapore Branch	USD 418,612.80
LTI- Singapore Branch	SGD 632,937.88

7 OTHER RECEIVABLES

2019.12.31	2018.12.31
184,979.09	11,880.29

The ageing as at year end are as follows:

	2019.12.31		2018.12.31	
	Amount	%	Amount	%
Within 1 yr	182,231.05	98.5%	-	-
1~2 ys	-	-	2,748.04	23.1%
2~3 ys	2,748.04	1.5%	-	-
Over 3 ys	-	-	9,132.25	76.9%
Total	184,979.09	100%	11,880.29	100%

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

8 FIXED ASSETS – COST

	<u>2019.1.1</u>	<u>Increase</u>	<u>Decrease</u>	<u>2019.12.31</u>
Electronic equipment	21,530.00	16,991.14	-	38,521.14
Total	<u>21,530.00</u>	<u>16,991.14</u>	<u>-</u>	<u>38,521.14</u>

9 ACCUMULATED DEPRECIATION

	<u>2019.1.1</u>	<u>Increase</u>	<u>Decrease</u>	<u>2019.12.31</u>
Electronic equipment	20,485.32	2,696.61	-	23,181.93
Total	<u>20,485.32</u>	<u>2,696.61</u>	<u>-</u>	<u>23,181.93</u>

10 FIXED ASSETS – NET

	<u>2019.12.31</u>	<u>2018.12.31</u>
Electronic equipment	15,339.21	1,044.68
Total	<u>15,339.21</u>	<u>1,044.68</u>

11 ADVANCES

	<u>2019.12.31</u>	<u>2018.12.31</u>
	10,295,586.84	856,699.50

Creditors with large amounts:Ending balance

LTI- US Branch	USD	736,832.60
LTI- SGP Branch	SGD	996,404.00

12 ACCRUED PAYROLL

	<u>2019.12.31</u>	<u>2018.12.31</u>
Wages payable	236,609.40	326,948.92
Total	<u>236,609.40</u>	<u>326,948.92</u>

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

13 TAXES PAYABLE

<u>Taxes</u>	<u>2019.12.31</u>	<u>2018.12.31</u>
Value added tax	415,498.63	48,509.12
City maintenance	2,359.90	2,368.67
Education surcharge payable	1,450.01	1,455.28
Local education surcharge payable	1,053.28	485.09
Corporate income tax	-7,467.48	-
Individual income tax	177,706.49	56,112.61
Withholding taxes	87,913.17	87,913.17
Withholding taxes	-	-
Total	<u>678,514.00</u>	<u>196,843.94</u>

14 OTHER PAYABLES

	<u>2019.12.31</u>	<u>2018.12.31</u>
Total	<u>10,314,257.95</u>	<u>3,327,607.21</u>

<u>Creditor with large amount</u>	<u>Ending Balance</u>
LTI- US Branch	CNY 235,702.56
LTI - SGP Branch	CNY 191,700.00
LTI - UK Branch	GBP 6,138.13
LTI - SGP Branch	SGD 92,035.34
LTI - Australia	AUD 15,322.56
LTI - India	GBP 6,535.75
LTI - India	CNY 6,793,341.01

15 PAID-IN CAPITAL

<u>Name of Investor</u>	<u>2019.12.31</u>		<u>2018.12.31</u>	
	<u>Registered Capital (USD)</u>	<u>Registered Capital (RMB)</u>	<u>Registered Capital (USD)</u>	<u>Registered Capital (RMB)</u>
LARSEN & TOUBRO INFOTECH LIMITED	175,000.00	1,074,799.00	175,000.00	1,074,799.00
Total	<u>175,000.00</u>	<u>1,074,799.00</u>	<u>175,000.00</u>	<u>1,074,799.00</u>

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

16 UNDISTRIBUTED PROFITS

	<u>2019.12.31</u>	<u>2018.12.31</u>
Undistributed profits at beginning of year	(2,758,935.05)	(1,300,949.52)
Current year net profit	225,697.16	(1,457,985.53)
Other adjustments	-	-
Distributable profit	<u>(2,533,237.89)</u>	<u>(2,758,935.05)</u>
Undistributed profits at the end of year	<u>(2,533,237.89)</u>	<u>(2,758,935.05)</u>

17 REVENUES FROM MAIN OPERATION

<u>Item</u>	<u>2019</u>	<u>2018</u>
Consulting Service	20,381,797.02	3,966,847.10
Total	<u>20,381,797.02</u>	<u>3,966,847.10</u>

18 RELATED PARTY TRANSACTION**Related party relationships**

<u>Name of Entity</u>	<u>Relationship with the Company</u>
L&T Infotech Ltd., India	Parent
L&T Technology Services Limited	Controlled by the same party
LARSEN & TOUBRO INFOTECH LIMITED-Singapore	Controlled by the same party
LARSEN & TOUBRO INFOTECH LIMITED-USA	Controlled by the same party
LARSEN & TOUBRO INFOTECH LIMITED-UK	Controlled by the same party
LARSEN & TOUBRO INFOTECH LIMITED-Australia	Controlled by the same party

L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.

NOTES TO THE 2019 FINANCIAL REPORTS

(All amounts are stated in RMB Yuan unless otherwise stated)

18 RELATED PARTY TRANSACTION**Ending Balance of related party transaction**

<u>Name of Entity</u>	<u>Account Name</u>	<u>Ending balance</u>
LARSEN & TOUBRO INFOTECH LIMITED-Singapore	Accounts receivable	USD 418,612.80
LARSEN & TOUBRO INFOTECH LIMITED-Singapore	Accounts receivable	SGD 632,937.88
LARSEN & TOUBRO INFOTECH LIMITED-USA	Accounts receivable	USD 228,613.00
LARSEN & TOUBRO INFOTECH LIMITED-USA	Accounts receivable	CNY 4,389,667.68
L&T Technology Services Limited	Accounts receivable	CNY 390,856.17
LARSEN & TOUBRO INFOTECH LIMITED	Accounts receivable	USD 6,750.00
LARSEN & TOUBRO INFOTECH LIMITED-USA	Advances	USD 736,832.60
LARSEN & TOUBRO INFOTECH LIMITED-Singapore	Advances	SGD 996,404.00
LARSEN & TOUBRO INFOTECH LIMITED-Singapore	Other payables	CNY 191,700.00
LARSEN & TOUBRO INFOTECH LIMITED-UK	Other payables	GBP 6,138.13
LARSEN & TOUBRO INFOTECH LIMITED-Singapore	Other payables	SGD 92,035.34
LARSEN & TOUBRO INFOTECH LIMITED- Australia	Other payables	AUD 15,322.56
LARSEN & TOUBRO INFOTECH LIMITED- India	Other payables	GBP 6,535.75
LARSEN & TOUBRO INFOTECH LIMITED- India	Other payables	CNY 6,793,341.01
LARSEN & TOUBRO INFOTECH LIMITED-USA	Other payables	CNY 235,702.56

L&T INFORMATION TECHNOLOGY SPAIN SL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

L&T Information Technology Spain SL

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their report and Audited Accounts for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS:

Particulars	2019-20	2018-19
	EUR	EUR
Total Turnover	3,524,748.96	4,620,618.58
Total Expenditure	3,707,592.39	4,785,601.83
Operating Profit / (Loss)	(182,843.43)	(164,983.25)
Add: Interest Income	825.84	-
Add: Finance Income	15,033.24	26,895.76
Profit / (Loss) before Tax	(166,984.35)	(138,087.49)
Less : Tax	(41,487.66)	(30,864.33)
Net Profit / (Loss) after Tax	(125,496.69)	(107,223.16)
Add: Balance b/f from previous year	287,754.00	394,976.87
Balance available for disposal which directors appropriate as follows:		
Dividend	-	-
Transfer to Reserves	-	-
Balance to be carried forward	162,257.31	287,753.71

2. State of Company Affairs / Business Prospects:

The gross sales and other income for the financial year under review were 3,540,608.04 as against 4,647,514.34 for the previous financial year registering a decrease of 23.82%. The profit/(loss) before tax from continuing operations including extraordinary and exceptional items was (166,984.35) and the profit/(loss) after tax from continuing operations including extraordinary and exceptional items of (125,496.69) for the financial year under review as against (138,087.49) and (107,223.16) respectively for the previous financial year, registering an increase in loss by 20.93 % and 17.04 % respectively.

3. Capital & Finance:

During the year under review, the Company did not allot any equity/preference shares.

4. Capital Expenditure:

As at March 31, 2020, there were no fixed tangible and intangible assets including leased assets.

5. Particulars of loans given, investments made, guarantees given or security provided by the Company:

The Company has disclosed the particulars of the loans given, investments made or guarantees given or security provided in the financial statements.

6. Dividend:

The Directors do not propose the payment of any dividend during the year.

7. Details of Significant & Material Orders Passed by the Regulators or Courts:

During the year under review, there were no material and significant orders passed by the regulators or courts impacting the going concern status and the Company's operations in future.

8. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

There is no change in the Board of Directors & Key Managerial Personnel during the FY 2019-20.

9. Financial Statements:

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

10. Auditors:

M/s LUQUE VELASCO Auditors S.L. are the auditors of the Company. They will continue to be auditors of the Company for the ensuing financial year.

11. Directors Responsibility Statement:

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

12. Acknowledgement

Your Director acknowledge the invaluable support extended by the Government authorities in Spain and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

London May
12, 2020

Mr. Sudhir Chaturvedi
Director



Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON THE BRIEF ANNUAL ACCOUNTS

To the sole shareholder of **L&T INFORMATION TECHNOLOGY SPAIN, S.L.:**

Opinion

We have audited the brief annual accounts of L&T INFORMATION TECHNOLOGY SPAIN, S.L. (the Company), which comprise the brief balance sheet as at March 31, 2020, and the brief income statement and brief related notes for the year then ended.

In our opinion, the accompanying brief annual accounts present fairly, in all material respects, the equity and financial position of the Company as at March 31, 2020, and its financial performance for the year then ended in accordance with the applicable financial reporting framework (as identified in Note 2 to the accompanying annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the brief annual accounts section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the brief annual accounts in Spain in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected the necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the brief annual accounts of the current period. These matters were addressed in the context of our audit of the brief annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these risks.

Customers

The company has a significant amount in the customer balance. (Note 6 of Financial Statements). Concretely, as at March 31, 2020 this amount is 1.145.027,46 euros.

We have considered this area as a key issue in our audit due to the importance and significance of clients in the brief annual accounts and its appropriate accounting.

In relation to these amounts, we have carried out the following audit procedures:

- Comparison with the figures of the previous year and its correlation with the net amount of the turnover.
- Wide circularization to customers.
- Study of the balance's age.

Responsibility of Sole Director for the brief annual accounts

The sole director is responsible for the preparation of these brief annual accounts, so that they present fairly the equity, financial position and financial performance of L&T INFORMATION TECHNOLOGY SPAIN, S.L., in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the sole director determine is necessary to enable the preparation of brief annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing brief annual accounts, the sole director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the sole director either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



A Worldwide Alliance of Independent
 Accountants, Law and Governance Firms
 LUQUEVELASCO is an independent member firm of Alliott Group
 Each Alliott Group member firm is a separate legal entity and is not responsible for the services or activities of any other member firm
 Alliott Group does not fit within the definition of an "accounting network" under the International Federation of Accountants (IFAC) code
 of Ethics (effective 2018) and the European Union Statutory Audit Directive 88/78/EEC (Company's annual Financial
 Statement)

Auditor's responsibilities for the audit of the brief annual accounts

Our objectives are obtain reasonable assurance about whether the brief annual accounts 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 legislation governing the audit practice in Spain 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 annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the brief annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director.
- Conclude on the appropriateness of sole director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the brief annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the brief annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the sole director 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.

From the significant risks communicated with the sole director, we determine those matters that were of most significance in the audit of the brief annual accounts of the current period and are therefore the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

Madrid, May 14, 2020

LUQUEVELASCO auditores
Nº ROAC: S1144



Pablo Luque Torrecillas
Partner



NIF: B87472072

Company Name: L & T INFORMATION TECHNOLOGY SPAIN, S.L.

Amount in Euros

Balance sheet as at 31st March, 2020 and 2019

Description	Notes	31-03-20	31-03-19
A) NON CURRENT ASSETS		72,352.28	31,884.33
V. Long Term Financial Investments	4, 6	-	1,020.00
b) Others		-	1,020.00
VI. Deferred Tax Assets		72,352.28	30,864.33
B) CURRENT ASSETS		1,310,967.46	1,762,999.17
III. Trade Debtor	4, 6	1,205,247.92	1,087,829.27
1. Customers		1,145,027.46	1,038,120.09
3. Other Debtors		60,220.46	49,709.18
VII. Cash and cash equivalents	8	105,719.54	675,169.90
TOTAL ASSETS (A + B)		1,383,319.74	1,794,883.50
A) NET EQUITY		212,257.31	337,753.71
A-1) Net Equity		212,257.31	337,753.71
I. Share Capital	9	50,000.00	50,000.00
1. Share Capital		50,000.00	50,000.00
III. Reserves	9	394,976.87	-
V. Retain earnings		- 107,222.87	394,976.87
VII. Result for the period	3	- 125,496.69	- 107,223.16
C) CURRENT LIABILITIES		1,171,062.43	1,457,129.79
III. Short term debts		- 0.01	- 0.01
3. Other short term debts		- 0.01	- 0.01
IV. Current debt with Group entities	12	987,427.14	1,217,818.31
V. Other payables.	4, 7	257,426.17	253,222.38
2. Other creditors		257,426.17	253,222.38
VI. Short term accruals		- 73,790.87	- 13,910.89
TOTAL NET EQUITY AND LIABILITIES (A+B+C)		1,383,319.74	1,794,883.50

NIF: B87472072

Company Name: L & T INFORMATION TECHNOLOGY SPAIN, S.L.

Amount in Euros

Income Statement for the year ended 31st March, 2020 and 2019

Description	Notes	31-03-20	31-03-19
1. Net Turnover	11	3,524,748.96	4,620,618.58
4. Purchases	11	- 2,729,348.49	- 3,651,172.95
6. PERSONNEL EXPENSES	11	- 769,465.28	- 770,828.48
a) Salaries and wages		- 591,687.14	- 603,148.29
c) Social Security payable by the company		- 154,722.04	- 170,620.84
f) Employee benefits expense		- 23,056.10	2,940.65
7. External Services	11	- 208,778.62	- 363,600.40
A) Operating result (from 1 to 13)		- 182,843.43	- 164,983.25
15. Financial expenses		825.84	-
b) from debts with Group Entities		825.84	-
17. Exchange differences		15,033.24	26,895.76
B) Financial result (14+15+16+17+18+19)		15,859.08	26,895.76
C) Result before taxes (A+B)		- 166,984.35	- 138,087.49
20. Corporate income tax	10	41,487.66	30,864.33
D) Result from continued operations (C+20)		- 125,496.69	- 107,223.16
E) Result from the period (C+20)	3	- 125,496.69	- 107,223.16

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (see note 16).
In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

1. Activity of the Company

1.1. The details of the Company are as follows:

VAT number: B87472072
Company Name: L&T INFORMATION TECHNOLOGY SPAIN, S.L.
Address: Pº CASTELLANA 81
Post Code: 28046
City: MADRID
Region: MADRID

1.2. The company's social object and main activities are defined as follows:

Corporate Purpose

The core business is to provide IT services, including application development, implementation, systems integration, application maintenance, testing and support services. LTI resources enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees, and shareholders.

All those activities for which the law requires special requirements that does not meet the Company are excluded. If the laws demand it for the exercise of any of the activities a professional qualification, authorization or registration in special registers, shall be exercised by the person holding that title or may not be initiated until have been met administrative requirements.

2. Basis of presentation of the annual accounts

2.1. True and fair view:

- a) The annual accounts, show a true and fair view of the shareholders' funds, of the financial situation, of the results and the changes in net equity during the year. They will be subject to the approval of the Shareholders' Meeting which will most probably approve them without any amendment.
 - b) There are no reasons why the Company would have not fulfil all legal accounting requirements so to show the true and fair view.
 - c) The application of the legal requirements is enough to show the true and fair view so no additional disclosures are necessary to be included in the Notes to the Accounts.
 - d) These Annual Accounts have been prepared under the going concern principle.
-

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (see note 16).
In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

2.2. Non obligatory accounting principles applied:

No Spanish non-obligatory accounting standards have been applied. The annual accounts have been prepared in accordance with Spanish obligatory accounting standards. No Spanish accounting standard, which could have a significant impact, has been omitted.

2.3. Critical aspects for valuations and estimates of uncertainty:

- a) There are no changes in any accounting estimate that are significant and could affect the current year or future years.
- b) The company is not aware of uncertainties that may bring doubts about the possibility of the company to continue operating normally.

2.4. Comparison of information:

The period closed on 31st March 2020 is comparable to the previous period.

2.5. Items reflected in two or more classifications

No items have been observed as being registered in two or more balance sheet classifications.

2.6. Changes in accounting policies

There has not been any changes in accounting policies.

2.7. Correction of errors

When the attached annual accounts were prepared no significant errors were detected.

2.8. Going concern

There are no uncertainties with respect to the normal activity of the Company which could imply a breach of the going concern principle.

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared
in accordance with Spanish generally accepted accounting principles (see note 16).
In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

3. Distribution of the result

3.1. The proposed distribution of the result is as follows:

DISTRIBUTION BASE	Current period	Previous period
Result from P&L account	-125.496,69	-107.223,16
Remnant	0,00	0,00
Voluntary Reserves	0,00	0,00
Other reserves	0,00	0,00
TOTAL DISTRIBUTION BASE	-125.496,69	-107.223,16

APPLICATION	Current Period	Previous Period
Legal reserve	0,00	0,00
Especial reserve	0,00	0,00
Voluntary reserve	0,00	0,00
Dividends	0,00	0,00
Carried forward losses	-125.496,69	-107.223,16
Remnant and other applications	0,00	0,00
TOTAL DISTRIBUTION BASE	-125.496,69	-107.223,16

3.2. Distribution of dividends on account

No dividends on account can be distributed as the result for the period has been a loss.

4. Accounting and valuation policies

The main accounting and valuation policies used to prepare the annual accounts are as follows:

4.1. Financial instruments

- a) The company has acknowledged a financial instrument on its balance sheet when it has become a part of the contract or legal business in accordance with the provisions of the same. Instruments of equity of other companies or contractual rights to receive cash or another financial asset have been considered as financial assets consist of cash. Contractual rights to exchange assets or financial liabilities with others in potentially favourable conditions have also been.

For valuation purposes, the financial assets of the Company are classified as follows:

- Financial assets at amortized cost: this category of financial assets includes on the one hand, trade receivables, arising from the sale of goods and provision of services for trade operations of the company, and on the other hand, other financial assets not being equity instruments or derivatives, they have no commercial origin and their charges are fixed or determinable amount. Financial assets included in this category are initially valued at cost, which equals the fair value of the consideration paid plus transaction costs.

- b) The financial instruments are classified as financial liabilities, when they have been for the company an obligation contractual, direct or indirect, to deliver cash or another financial asset, or of exchanging assets or financial liabilities with others in potentially unfavourable conditions, or that gives the holder the right to demand from the issuer their rescue on a date and for a specified amount.

The financial liabilities, for the purposes of its assessment, been classified in the following categories:

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (see note 16). In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

-Financial liabilities at amortized cost: they have been included as such, the amounts owed by commercial operations, which originated in the purchase of goods and services by the company trafficking operations, and debits by non-commercial operations, which not being derivative instruments, do not have sales origin. These financial liabilities have been valued initially at value reasonable, and subsequently, at their amortized cost.

4.2. Corporation Tax

In general, it recognized a deferred tax liability for all taxable temporary differences, unless these have arisen from the initial recognition of goodwill, the initial recognition of an asset or liability in a transaction that is not a combination of business and also affects neither the accounting profit nor taxable income or investments in subsidiaries, associates and joint always business and when the investor has been able to control the timing of the reversal of the difference and also have been likely that such difference will not reverse in the foreseeable future.

Deferred tax assets, in accordance with the principle of prudence, have been recognized as such in so far as it has been likely that the company has disposed of future taxable profits that allow the application of these assets. If the above condition is met, generally it has been considered a deferred tax asset if: there have been deductible temporary differences, rights to offset in subsequent years, tax losses and deductions and other tax benefits not used that have been pending fiscally apply.

Assets and deferred tax liabilities are valued as the expected rates of tax at the time of reversal, as the legislation has been in force or approved and pending publication at the close of the year, and according to the form that is planned rationally recover or settle the asset or liability.

4.3. Income and expenses

Revenue is recognized as a result of an increase in the resources of the company, and where the amount has been reliably determined. Expenses have been recognized as a result of dwindling resources of the company, and where the amount has also been able to assess or estimate reliably.

Revenues from services are recognized when the outcome of the transaction can be estimated reliably, considering the percentage of completion at the year-end date. Only been posted income from the provision of services with the following conditions: when the amount of revenue has been reliably measured, provided the company receives profits or income from the transaction, and this transaction has been valued at close exercise reliably, and finally when the costs incurred in the transaction and the remaining to be incurred have been measured reliably.

4.4. Provisions and contingencies

The company has recognized as provisions liabilities that fulfil the definition and criteria for accounting records contained in the conceptual framework of accounting, have been indeterminate with respect to their amount or the date they will be cancelled. Provisions have been determined by a legal, contractual provision or for an obligation implied or tacit.

Provisions have been valued at the date of closure of the exercise by the present value of the best possible estimate of the amount needed to cancel or transfer to a third party the obligation, registering settings that have emerged for the update of the provision as a financial expense as they have been earning. In the case of provisions with maturity exceeding the year not carried out any type of discount.

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared
in accordance with Spanish generally accepted accounting principles (see note 16).
In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

5. Tangible and Intangible Assets and Real Estate investments

5.1. Changes in tangible, intangible Assets and Real Estate investments

No tangible or intangible assets have been registered in the Company during the financial year 2019-2020 nor in the previous period.

6. Financial Assets

6.1. Changes in Financial assets

The movements in each category of financial assets following the accounting and valuation policies established in point 4 above (except for investments in group companies) can be summarized in the following table:

- a) Long Term financial assets except for investment in equity of group and associated entities: For 2019-2020 and 2018-2019 the details are as follows:

	Current Period			
	Equity instruments	Debt Based instruments	Credits, derivatives and other	TOTAL
Financial investments- Deposits	0,00	0,00	0,00	0,00
TOTAL	0,00	0,00	0,00	0,00

	Prior Period			
	Equity instruments	Debt Based instruments	Credits, derivatives and other	TOTAL
Financial investments- Deposits	0,00	0,00	1.020,00	1.020,00
TOTAL	0,00	0,00	1.020,00	1.020,00

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared
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In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

b) Short Term financial assets except for investment in equity of group and associated entities:

	Current Period			TOTAL
	Equity instruments	Debt Based instruments	Credits, derivatives and other	
Deferred expenses	0,00	0,00	0,00	0,00
Receivable accounts	0,00	0,00	1.145.027,46	1.145.027,46
Tax authorities	0,00	0,00	44.858,86	44.858,86
TOTAL	0,00	0,00	1.186.886,32	1.186.886,32

	Ejercicio Anterior			TOTAL
	Equity instruments	Debt Based instruments	Credits, derivatives and other	
Deferred expenses	0,00	0,00	0,00	0,00
Receivable accounts	0,00	0,00	1.035.454,08	1.035.454,08
Tax authorities	0,00	0,00	0,00	0,00
TOTAL	0,00	0,00	1.035.454,08	1.035.454,08

7. Financial Liabilities

7.1. Changes in Financial Liabilities.

The movements in each of the financial liabilities categories following the accounting and valuation policies described in point 4 of these Notes to the Annual Accounts are summarized as follows:

a) Long Term financial liabilities: no long term financial liabilities have been registered.

b) Short Term financial liabilities

	Current Period			TOTAL
	Debts with credit entities	Bonds and others	Derivatives and others	
Suppliers	0,00	0,00	4.953,18	4.953,18
Accruals	0,00	0,00	30.691,42	30.691,42
Personnel	0,00	0,00	41.408,97	41.408,97
Tax Authorities	0,00	0,00	180.372,60	180.372,60
TOTAL	0,00	0,00	257.426,17	257.426,17

NOTES TO THE ACCOUNTS

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Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

	Prior Period			TOTAL
	Debts with credit entities	Bonds and others	Derivatives and others	
Suppliers	0,00	0,00	2.274,13	2.274,13
Accruals	0,00	0,00	31.237,76	31.237,76
Personnel	0,00	0,00	25.395,03	25.395,03
Tax Authorities	0,00	0,00	194.315,47	194.315,47
TOTAL	0,00	0,00	253.222,38	253.222,38

8. Cash and Cash equivalents.

At the closing of period 2019-2020 the balance of cash and cash equivalents amounts to 105.719,54 € corresponding to the bank account with which the company operates.

9. Net Equity and Shareholders' Funds

9.1 Share Capital

At the closing of period 2019-2020 the share capital of the Company amounts to 50.000€ divided in 50.000 shares of 1 Euro face value each. They are correlative numbered from 1 to 50.000 both included; all the shares are fully subscribed and paid.

The sole shareholder at the closing of the period is the Company Larsen and Toubro Infotech Limited.

9.2 Legal Reserve

According to the Companies Act Capital, a figure must be equal to 10% of annual profits to the legal reserve until it reaches at least 20% of the share capital. The legal reserve can be used to increase capital in the part of the balance exceeding 10% of the increased capital. Except as mentioned above, while not exceeding 20% of capital, it can only be used to offset losses, provided that sufficient other reserves available for this purpose.

NOTES TO THE ACCOUNTS

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Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

10. Tax situation

10.1 Corporation Tax:

- a) No adjustments have been registered in the calculation of Corporation tax for the period 2019-2020, so the taxable base correspond to the books result. The full amount of the negative taxable bases from the previous period has been applied.

Concept	Amount
Book Result before taxes	-166.984,35
Compensation of negative bases	
Taxable Base	-166.984,35
Permanent Adjustments	1.033,69
Temporary Adjustments	-7.193,83
Previous Tax Base	-173.144,49
Deferred Tax	41.487,66

10.2 Other balances with Public Administrations

The information related to the balances with Public Administrations at the closing dates are as follows:

Tax	Debit Balance	Credit Balance
CIT receivable	11.673,87	
VAT		149.974,57
Withholdings on salaries		12.960,92
Social Security		17.694,32
TOTAL	11.673,87	180.629,81

NOTES TO THE ACCOUNTS

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Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

11. Income and expenses

The movements during the current and previous periods in the income and expenses accounts are summarised below:

Detail of the profit and loss account	Current period	Previous period
Turnover for the period	3.524.748,96	4.620.618,58
1. Services rendered by related parties	2.729.348,49	3.651.172,95
2. Raw materials consumption	0,00	0,00
a) Purchases	0,00	0,00
b) Stock variation	0,00	0,00
3. Other operative expenses	208.778,62	363.600,40
a) Losses and impairments corresponding to trade	0,00	0,00
b) Other expenses	208.778,62	363.600,40
4. Personnel expenses	769.465,28	770.828,48
5. Other results	0,00	0,00

12. Operations with related parties

The detail of the transactions with related parties during the period is as follows:

Entity	Services rendered	Amount
L&T Infotech Limited	Purchase of services	2.104.070,00
L&T Infotech Limited	Overheads charged by parent	632.279,29
L&T Infotech Limited	Overheads charged to parent	-303.127,78
L&T Infotech Subsidiary	Interest earned	-825,84
TOTAL		2.432.395,67

The balances as at 31st March 2020 with related parties is the following:

Entity	Debt Balance	Credit Balance
L&T Infotech Limited		989.778,14
L&T Infotech Subsidiary	2.351,00	
TOTAL	2.351,00	989.778,14

During the period the Sole Director of the company has not received any remuneration. No other obligations towards the Sole Director have been accrued.

NOTES TO THE ACCOUNTS

Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles (see note 16).
In the event of a discrepancy, the Spanish-language version prevails

Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

In compliance with articles 229 of Spanish Corporate Law, passed and approved under Royal Legislative Decree 1/2010 on 2 July, 2010, the Company makes full disclosure of the information it has received regarding the direct or indirect holdings of members of the Board of Directors of the controlling company in other companies whose stated activities are related or similar to those of the stated purpose of the Controlling Company or Group. The following list includes names, positions held and name of company.

Passport	Director	Entity	%	Position
801582393	Sudhir Chaturvedi	Larsen & Toubro Infotech Limited, India (Parent Company)	0.0012%	Executive Director

13. Other Information

The average number of employees during the period and divided by category is as follows:

Personnel	Current Period	Previous Period
Qualified personnel	12	14
Average	12	14

14. Environmental and Green House Gas Emissions Rights Information

The Company does not have any responsibilities, expenses, assets nor provisions of environmental nature which could be significant in relation to equity, financial situation and results of the Company. The Board of Directors consider that there are no contingencies related to the protection and improvement of the environment.

15. Information related to the deferral of payments to suppliers. Third additional provision of Act 15/2010 of July 5th “Duty of Disclosure of information”

In compliance with the provisions of Law 15/2010 of combating late payment to suppliers, developed by the ICAC, it is reported commercial operations, the legal maximum payment period is, in each case corresponding to depending on the nature of the good or service received by the company in accordance with the provisions of the law 3/2004 of 29 December, establishing measures to combat late payment in commercial transactions, and amended by law 15/2010 of 6 July.

Average payment period to suppliers:

NOTES TO THE ACCOUNTS

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Company: L&T INFORMATION TECHNOLOGY SPAIN, S.L.

Period: 2019-2020

	2019-2020	2018-2019
Days	30	30

16. Post Balance Sheet Events

On March 14, 2020, the State of Alarm was decreed in Spain due to the health crisis caused by COVID19. This very significant fact has had no impact on the figures in these annual accounts.

17. Additional explanation regarding the English translation

These annual accounts are presented in accordance with accounting principles generally accepted in Spain, which may not conform to generally accepted accounting principles in other countries

18. Signatures

In Mumbai (India), as at 12/05/2020,

Mr. SUDHIR CHATURVEDI
Id number: Y3650220L
Signing as: Sole Director

L&T INFOTECH, S. DE. R.L. DE C.V.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

L&T Infotech, S. DE. R.L. DE C.V

REPORT OF THE SOLE MANAGER TO THE PARTNERS OF THE COMPANY

In compliance with Article 42 of the corporate by-laws, I hereby inform the partners of the Company, the relevant aspects regarding the business of the Company during the period comprised from January 1st to December 31st, 2019.

Relevant transactions:

- a) The Company continued servicing all its client and also added more projects to its portfolio.

Financial Information

- Assets

The Company's assets amount to \$20'217,764 Pesos (twenty million two hundred seventeen thousand seven hundred sixty-four Pesos 00/100, currency in the United Mexican States).

- Liabilities

The Company's liabilities amount to \$20'130,985.00 Pesos (twenty million one hundred thirty thousand nine hundred eighty-five Pesos 00/100, currency in the United Mexican States).

- Equity

As to December 31, 2019, the Company's equity reached the amount of \$86,779.00 Pesos (eighty-six thousand seven hundred and seventy-nine Pesos 0/100, currency in the United Mexican States).

- Results

The Company obtained a profit in the amount of \$1'421,513.00 Pesos (one million four hundred twenty-one thousand five hundred thirteen Pesos 00/100, currency in the United Mexican States).

- Income

The total income was the amount of \$54'428,133.00 Pesos (fifty-four million four hundred twenty-eight thousand one hundred and thirty-three Pesos 00/100, currency in the United Mexican States).

- Expenses

The operation expenses amount to \$51'137,161.00 Pesos (fifty one million one hundred thirty seven thousand one hundred sixty one Pesos 00/100, currency in the United Mexican States).

The financial statements of the Company are part of this report and are available to the Company's shareholders.

Finally, pursuant to paragraph XIX of section 76 of the Income Tax Law, we hereby attest the compliance by the Company to its tax liabilities for the fiscal year ended on December 31, 2019.

For and on Behalf of the Company

Place: New Jersey, USA

Date: April 23, 2020

Alekh Gupta
Sole Manager

INDEPENDENT AUDITOR'S REPORT

To the Stockholders of:
L&T INFOTECH, S. DE R.L. DE C.V.
(Subsidiary of Larsen & Toubro Infotech Limited)

Opinion

We have audited the accompanying financial statements of L&T Infotech, S. de R.L. de C.V. (the Company) comprising the statement of financial position as of December 31, 2019, and the statements of comprehensive income, changes in stockholders' equity and cash flows for the period ended on December 31 as well as a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of L&T Infotech, S. de R.L. de C.V. as of December 31, 2019, as well as its result and cash flow for the year then ended, in accordance with Mexican Financial Reporting Standards (FRS).

Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in the section 'Responsibilities of the auditor for the audit of the financial statements' of this report. We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in accordance with the Code of Professional Ethics issued by the Mexican Institute of Public Accountants and have complied with our other ethical responsibilities in accordance with these requirements.

Management's responsibility in regards to the financial statements

The Management of the Company is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with the Mexican FRS and for such internal control that the management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Management and those in charge of the Company's governance of the financial statements.

The Company's Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with Mexican FRS and internal control that the Management considers necessary to enable the preparation of financial statements free of material misstatement due to fraud or error.

In the preparation of the financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, revealing, where appropriate, the issues relating to the Company in operation and using the accounting bases of Company in operation unless the Administration intends to liquidate the Company or cease operations, or does not have the most realistic alternative to doing so.

Those in charge of the governance of the Company are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor on the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether derived from fraud or error and to issue the auditor's report that includes our opinion.

Reasonable security is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Incorrections may arise from fraud or error and are considered material if, individually or as a whole, they can reasonably be expected to affect the economic decisions that users make on the basis of these financial statements.

As part of an audit in accordance with ISAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether for fraud or error, design and perform audit procedures that responded to those risks, and we obtained audit evidence sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that resulting from an error since fraud involves collusion, falsification, intentional omission, distortion, or internal control override.
- Obtain knowledge of internal control relevant to the audit, in order to design audit procedures that are appropriate to the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the use of the Management of operating accounting bases and, based on the evidence obtained, if there is a material uncertainty regarding events or conditions that could give rise to significant doubt about the Company's ability to continue as a running company. If we conclude that there is material uncertainty, we are called upon to draw attention in our auditor's report on the respective disclosures in the financial statements or, if such disclosure is insufficient, to modify our opinion. Our findings are based on the audit evidence obtained to date from our auditor's report. However, future events or conditions may cause the Company to cease to be a running business.
- We evaluate the overall presentation, structure, and content of financial statements, including disclosures, and whether the financial statements present the underlying transactions and events and achieve a fair presentation.

We communicate with Company's Management regarding, inter alia, the expected scope and timing of the audit and significant audit results, including any significant weaknesses in internal control that we identified during our audit.

MOORE OROZCO MEDINA, S.C.



Liliana Miriam Blancas Estrada, CPA.
Audit Partner

Mexico City, April 23, 2020

L&T INFOTECH, S. DE R.L. DE C.V.
(Subsidiary of Larsen & Toubro Infotech Limited)

Statements of Financial Position
As of December 31, 2019, and December 31, 2018

(Figures expressed in Mexican pesos)

	2019	2018
Assets		
Current:		
Cash and cash equivalents (Note 2.4)	\$ 1,422,692	\$ 1,203,129
Trade receivables (Note 2.5 and 3)	15,952,586	11,985,262
Advance taxes (Note 2.6)	1,527,475	2,372,573
Other current assets	109,493	54,508
Total current assets	19,012,246	15,615,472
Computer equipment (Note 2.7)	37,396	19,313
Income tax-deferred (Note 2.10 and 5.1)	1,168,122	1,262,592
Total assets	\$ 20,217,764	\$ 16,897,377
Liability and Stockholders' equity		
Short-Term Liabilities:		
Suppliers and other payables	\$ 867,978	\$ 3,226,305
Related parties (Note 3)	13,354,364	10,976,354
Other current liabilities	5,908,643	4,029,452
Total short term liabilities	20,130,985	18,232,111
Stockholders' equity		
Capital stock (Note 2.12 and 4.1)	3,000	3,000
Retained earnings	(1,337,734)	342,622
Comprehensive (loss) income	1,421,513	(1,680,356)
Total stockholders' equity	86,779	(1,334,734)
Total liabilities and stockholders' equity	\$ 20,217,764	\$ 16,897,377



Alekh Gupta
Sole Manager

L&T INFOTECH, S. DE R.L. DE C.V.
(Subsidiary of Larsen & Toubro Infotech Limited)

Statements of Comprehensive Income
For the period ended on December 31, 2019, and December 31, 2018

(Figures expressed in Mexican pesos)

	<u>2019</u>	<u>2018</u>
Services revenue (Note 2.13)	\$ 54,428,133	\$ 44,495,272
Employee benefit expenses	47,356,125	42,569,342
General administrative & selling expenses	3,781,036	4,129,754
Operating (loss) profit	<u>3,290,972</u>	<u>(2,203,914)</u>
Comprehensive financing result:		
Interest (income) expense – Net	693,523	(355,097)
Foreign exchange (gain) loss– Net	<u>(260,832)</u>	<u>78,106</u>
	<u>432,691</u>	<u>(276,991)</u>
Profit (Loss) before tax	2,858,281	(2,480,905)
Income tax (Note 2.10 and 5)	<u>1,436,768</u>	<u>(800,549)</u>
Comprehensive Income (loss)	<u>\$ 1,421,513</u>	<u>\$ (1,680,356)</u>

The attached notes are an integral part of these financial statements.



Alekh Gupta
Sole Manager

L&T INFOTECH, S. DE R.L. DE C.V.
(Subsidiary of Larsen & Toubro Infotech Limited)

Statement of Changes in Stockholders' Equity
for the period ended on December 31, 2019, and December 31, 2018

(Figures expressed in Mexican pesos)

	Capital stock	Cumulative Profits	Total stockholders' equity
Balances as of December 31, 2017	\$ 3,000	\$ 342,622	\$ 345,622
Comprehensive income of 2018		\$ (1,680,356)	\$ (1,680,356)
Balances as of December 31, 2018	\$ 3,000	\$ (1,337,734)	\$ (1,334,734)
Comprehensive income of 2019		\$ 1,421,513	\$ 1,421,513
Balances as of December 31, 2019	\$ 3,000	\$ 83,779	\$ 86,779

The attached notes are an integral part of these financial statements.



Alekh Gupta
Sole Manager

L&T INFOTECH, S. DE R.L. DE C.V.
(Subsidiary of Larsen & Toubro Infotech Limited)

Statements of Cash Flow
For the period ended on December 31, 2019, and December 31, 2018

(Figures expressed in Mexican pesos)

	2019	2018
Profit (Loss) before income tax	\$ 2,858,281	\$ (2,480,905)
Operating Activities:		
Trade receivables	(3,967,324)	(1,066,912)
Advance taxes	845,098	(2,372,573)
Other current assets	(54,985)	(54,508)
Depreciation and amortization	(18,951)	4,823
Income tax-deferred	94,470	
Suppliers and other payables accounts	2,358,327	2,593,442
Related parties	(1,711,546)	(1,250,524)
Other current liabilities	(2,284,273)	614,444
Net cash used from operating activities	(1,880,903)	(4,012,713)
Investment Activities:		
Acquisition of fixed assets	37,034	24,136
Financing Activities:		
Loan payment with related parties	-	(5,811,607)
Loans obtained with related parties	2,137,500	10,464,360
Net cash flows from financing activities	2,137,500	4,652,753
Increase in cash and cash equivalents	219,563	615,904
Cash and cash equivalents at the beginning of the period	1,203,129	587,225
Cash and cash equivalents at year end	\$ 1,422,692	\$ 1,203,129



Alekh Gupta
Sole Manager

L&T INFOTECH, S. DE R.L. DE C.V.

(Subsidiary of Larsen & Toubro Infotech Limited)

Notes to the Financial Statements for the year ended December 31, 2019, and December 31, 2018

(Figures in Mexican pesos)

Note 1. History and activity of the Company

L&T Infotech, S. de R.L. de C.V., (the Company) is a subsidiary of Larsen & Toubro Infotech Limited. It was incorporated on March 1, 2017, under Mexican law, with registered office at Bosque de Ciruelos No. 180 PP 101, Colonia Bosques de las Lomas, Mexico City.

The company's aim is to provide consulting services and solutions related to information technology, including without limitation, automatic data processing, information technology, analytics and information models, cloud services, security and infrastructure services, open source technology, intelligent devices, application administrators, execution system developers, Oracle and SAP database, systems and business integration, cloud applications, geographic information systems as well as process improvement and business model design.

Note 2. Basis for preparation and summary of significant accounting policies

The financial statements as of December 31, 2019, have been prepared in compliance with the Mexican Financial Reporting Standards (MFRS), to expose a fair presentation of the Company's financial position.

The MFRS (*NIF*) state that the International Financial Reporting Standard, the International Accounting Standards (*NIC*), the International Financial Reporting Interpretations and the Interpretation Committee are a supplementary part of the MFRS when the absence of the MFRS requires it. Accordingly, the Company, with the purpose of recognizing, valuing, and disclosing its own particular transactions, applies the following supplementary NIC-18 "Ordinary activities income" effective as of January 1, 1995. (See note 2.11)

Some of the figures in the financial statements as of December 31, 2018 have been reclassified to other items, for presentation and compared purposes to the figures in the financial statements as of December 31, 2019.

The following significant accounting policies are summarized, which have been applied consistently in the years presented, unless otherwise specified.

2.1 Recording, functional and reporting currency

Since the recording, functional and reporting currencies of the Company are the Mexican Peso, it was not necessary to make any conversion process.

2.2 Inflationary effects

Under the provisions of NIF B-10 "Effects of inflation", from January 1, 2008, the Mexican economy is in a non-inflationary environment maintaining a cumulative inflation for the last three years below 26% (threshold to define that an economy should be considered as inflationary); therefore, from that date recognizing the effects of inflation on financial information was suspended. Consequently, the figures as of December 31, 2019, of the accompanying financial statements are presented in historical pesos.

The inflation rates are presented as follows:

	31 December	
	2019	2018
Year	(%)	(%)
Year	2.83	4.83
Accumulated in the last three years	14.43	14.96
Accumulated without including current year	11.60	10.13

2.3 Use of estimates

The preparation of financial statements in conformity with the MFRS requires accounting estimates. In addition, those rules require that management exercises professional judgment to define the accounting policies that will apply to the Company. Recognized accounting estimates will likely differ from actual results or events.

2.4 Cash and cash equivalents

Cash and cash equivalents include bank deposits and other high liquidity investments with maturities of less than 90 days, which is similar to their market value.

2.5 Clients

Accounts receivable from clients represent amounts due by them and are generated by services provided in the normal course of operations of the Company. When the collection is expected in a period of one year or less from the closing date, they are presented as current assets. If the above does not comply, they are presented as non-current assets.

2.6 Advance Taxes

Tax advances represent amounts in favor of the Company generated by tax payments made by the Company and pending to be applied.

The balance as of December 31, 2019 and December 31, 2018, of advance taxes, is as follows:

	2019	2018
Provisional payments		
Annual income tax	\$ 1,527,475	\$ 2,372,573
Total advance taxes	<u>\$ 1,527,475</u>	<u>\$ 2,372,573</u>

2.7 Computer equipment

Computer equipment is recorded at its historical cost. Depreciation is calculated using the straight-line method over 100% of the acquisition cost. The shelf life for calculating depreciation of computer equipment is 3 years at a rate of 30% annual depreciation.

2.8 Suppliers and other payable accounts

This part includes obligations with suppliers and other accounts payable for purchases of goods or services acquired in the normal course of the Company's operations. When the Company expects to pay them over a period of one year or less from the date of closing, they are presented in current liabilities. If the above does not comply, they are presented as non-current liabilities.

2.9 Provisions

Provisions for liabilities represent obligations for past events where the outflow of economic resources is more likely than not. These provisions have been recorded based on the management's best estimation.

2.10 Income Tax incurred and deferred

The income tax incurred in the year is presented as a net short-term liability of the advance payments performed during the year.

The income tax incurred and deferred, are recognized as expenses (or reduction of expenses) in the comprehensive result of the period.

The deferred income tax is determined based on the method of assets and liabilities with comprehensive approach, which consists in recognizing a deferred income tax for all the temporary differences between the accounting and tax values of assets and liabilities expected to materialize in the future, at the rates issued and established in the tax provisions in force at the date of the financial statements (See note 5).

2.11 Exchange differences

Transactions in foreign currency are initially recorded at record currency applying the exchange rates prevailing on the dates they are entered into and/or settled. Assets and liabilities denominated in such currencies are translated at the exchange rate prevailing at the date of the statement of the financial position. Exchange gain or loss arising from fluctuations in the exchange rates between the transaction and settlement dates, or valuation at the period closing are recognized in the income as a component of the Financing Comprehensive Income (*RIF*).

As of December 31, 2019, and December 31, 2018, the currency assets and liabilities expressed in US dollars generated a financial position as follows:

	2019	2018
Assets	US\$ -	US\$ -
Liabilities	(43,030)	(525,062)
Position in foreign currency	US\$ (43,030)	US\$ (525,062)

The exchange rate used for the valuation of assets and liabilities in foreign currency as of December 31, 2019, was \$ 18.8727 peso per US dollar and December 31, 2018, was \$19.6829 pesos per US dollar.

2.12 Stockholders' equity

The capital stock, legal reserve and retained earnings are expressed at historical cost. (See Note 4).

2.13 Revenue Recognition

Income derived from the sale of services in the normal course of the Company's operations is recognized at the fair value of the consideration received or receivable. Income is presented net of value added tax, rebates and discounts.

Considering the nature of the services sold by the Company, such as providing consulting services and solutions related to information technology, revenue is recognized when the services are provided and the customer has accepted the services in accordance with the sales contract, or when the Company has objective evidence that all acceptance criteria have been met.

An account receivable is recognized when services are provided, as this is the time when the consideration is unconditional, as only the passage of time is required before payment is due.

2.14 Comprehensive income

The comprehensive income comprises the net income or loss which is reflected in stockholders' equity and it does not constitute equity's contributions, reductions or distributions.

Note 3. Balances and transactions with related parties

The balances with related parties are as follows:

	<u>2019</u>	<u>2018</u>
Larsen and Toubro Infotech Limited, India (A) – payable	\$ (202,080)	\$ -
Larsen and Toubro Infotech Limited, France (B) – payable	-	(699,020)
L&T Infotech Financial Services Technologies Inc (C) - payable	(13,152,284)	(10,277,333)
Total related parties – payable	\$ (13,354,364)	\$ (10,976,353)
Larsen & Toubro Infotech Limited USA (D) – receivable	10,217,801	663,761
Total related parties - receivable	10,217,801	\$ 663,761
Total related parties – net payable	<u>\$ (3,136,563)</u>	<u>\$ (10,312,592)</u>

(A) Corresponds to services received by the Company.

(B) Corresponds to services received by the Company.

(C) Corresponds to various loans received in Canadian dollars obtained in 2018 by the Company, during the financial year 2019 obtained a loan of \$ 2,137,500 and an interest charge of 5% 666,464.

<u>Date</u>	<u>Principal (in Canadian Dollars)</u>
January 11, 2018	\$ 100,000
January 17, 2018	60,000
April 13, 2018	40,000
April 17, 2018	30,000
May 11, 2018	100,000
August 13, 2018	120,000
December 17, 2018	250,000
Total Loans 2018	\$ 700,000
January 16, 2019	150,000
TOTAL LOANS	<u>\$ 850,000</u>

(D) Corresponds to the receivable and payable for the transfer of income and costs from Larsen and Toubro Infotech Limited USA as of December 31, 2019 (Receivable of \$10,844,514 .Payable of \$626,713) and as of December 31, 2018 (Receivable of \$832,390 vs. Payable of \$168,629).

The transactions held with related parties were as follows:

		<u>2019</u>	<u>2018</u>
Income:			
Larsen & Toubro Infotech Limited, USA	Sale of services	\$ 24,007,950	\$ 11,127,976
	Expenses		
Larsen & Toubro Infotech Limited, USA	reimbursements	7,600	-
Costs and Expenses:			
Larsen & Toubro Infotech Limited, USA	Expenses		
	reimbursements	600,079	840,151
Larsen and Toubro Infotech Limited, France	Purchase of		
	services	368,888	699,020
Larsen & Toubro Infotech Limited, India	Purchase of	-	
	services		807,810
Larsen & Toubro Infotech Limited, India	Overheads	22,047	-
	charged to		
Larsen & Toubro Infotech Limited, India	Interest	-	1,660
L&T Infotech Financial Services Technologies Inc.	Interest	666,464	325,112

Note 4. Stockholders' Equity

4.1 Capital stock

As of 31 December 2019, the variable capital stock is as follows:

Stockholder	Capital	Percentage
Larsen & Toubro Infotech Limited	\$ 2,970	99%
L&T Infotech Financial Services Technologies Inc.	30	1%
Total Capital Stock	\$ 3,000	100%

4.2 Legal reserve

According to the General Law of Commercial Companies, 5% of the net income of each year must be separated to form the legal reserve, until it is equal to one-fifth of the amount of paid-in capital stock. Such legal reserve may be capitalized unless the company dissolves and must be reconstituted when it is reduced due to any reason.

4.3 Contributed capital account (CUCA) and Net tax account (CUFIN)

Distributed profits exceeding CUFIN and CUFINRE accounts (Net Tax Account and Net Tax Account Reinvested) are subject to income tax in accordance with the prevailing rate at the time of distribution.

The tax incurred from dividends paid will be payable by the Company and may be credited against income tax for the year or the following two years. Dividends paid from previously taxed profits are not subject to income tax withholding or additional tax payment.

According to the current Income Tax Law, dividends arising from CUFIN 2014 (profits generated from the year 2014) are subject to an additional tax of 10 percent; when paid to a natural person residing in Mexico or an alien, either natural or legal person, which must be withheld and paid by the Company, if the dividend comes from CUFIN 2013 it will not be subject to this new tax. When the two mentioned CUFIN accounts are not carried separately or when they do not identify the profits mentioned, it is understood that they were generated as of 2014.

The balance as of December 31, 2019, and as of December 31, 2018, from the contributed capital account (CUCA) and the net tax profit account is as follows:

	<u>2019</u>	<u>2018</u>
CUCA	\$ 3,354	\$ 3,262
CUFIN	(2,401,132)	(1,619,149)

Note 5. Income Tax

The provision for income tax (ISR) in 2019 and 2018 is analyzed as follows:

	<u>2019</u>	<u>2018</u>
ISR incurred	\$ 1,342,297	\$ -
ISR deferred	94,471	(800,549)
Income taxes according to the statement of comprehensive income	<u>\$ 1,436,768</u>	<u>\$ (800,549)</u>

5.1 Income Tax (ISR) Incurred and Deferred

On October 2013 the Senators and Representatives Chambers approved the issuance of a new Income Tax Law (*LISR*) which came into force on January 1, 2014, repealing the LISR published on January 1, 2002. The new Income Tax Law picked the essence of the previous Law, however, made significant changes, among which we can highlight the following:

- It limits deductions on contributions to pension funds and exempt salaries, car leasing, consumption in restaurants and in social security contributions; it also eliminates the immediate deduction in fixed assets.
- It changes the procedure to determine the tax base for Employee Profit Sharing (PTU) participation.
- It establishes a rate for the year 2014 and subsequent years of 30%.

As of December 31, 2019, the Company generated a taxable profit of \$4,474,324. Taxable income differs from the accounting, mainly due to items that accumulate over time and deduct differently for accounting

and tax purposes, by recognizing the effects of inflation for tax purposes, as well as such items only affect the accounting or tax results.

As of December 31, 2018, the Company generated a taxable loss of \$(1,141,904).

As of December 31, 2019, the main temporary differences, which recognized the deferred income tax, were about the provision of: Leave Encashment, VCP, Severance Pay and Social Security Contributions to pay for \$ 2,913,845.

Note 6. Labor obligations

With respect to NIF D-3, the company determines the estimation of the labor obligations to employees considering the calculation of four settlements per year, based on the fact that it is of recent creation and does not have a high risk in this regard.

Note 7. Ongoing Business.

On April 27, 2020, the management of the company has determined that the operation of the company shall be continued. In 2019, the generated profits allowed to cover the loss of the year 2018 and generate a positive cumulative result. The management expects contracts for new projects, and if necessary, would continue with the situation of thin capitalization.

Note 8. New Pronouncements

A series of Financial Reporting Standards (FRS) (or NIF, for their acronym in Spanish) issued by the CINIF during December 2017 and 2018 are described below, which will enter into force in 2020. It is considered that such FRS will not have a material effect on the financial information presented by the Company:

2020

NIF B-11 "Disposal of long-term assets and discontinued operations". It lays down the rules for valuation, presentation and disclosure on the disposal of long-term assets and discontinued operations. It is clarified that assets of a class that an entity would normally regard as non-current that are acquired exclusively with a view to resale shall not be classified as current unless they meet the criteria to be classified as held for sale.

Improvements to FSN 2019

NIF B-9 "Financial information at intermediate dates". Disclosure lays down information about fair Value of financial instruments to collect principal, interest and IFPs, as provided in NIF C-20 and C-19, respectively. This standard also provides the events and transactions, which shall be disclosed in financial statements, if they are considered relevant.

On the other hand, it is necessary to disclose the breakdown of revenue from contracts with customers required in NIF D-1 "Customer Contracts".

Improvements to NIF 2018

NIF B-2 "Cash flow statement". It is necessary to disclose relevant changes that requires or not, the use of cash or cash equivalents in liabilities that is considered as part of the financing activities, preferably by submitting a reconciliation of opening and closing balances.

NIF B-10 "Effects of inflation". In addition to the above requirements, it is necessary to disclose the accumulated inflation for three annual years which include previous two annual years and the annual year to which the financial statements relate.

NIF C-6 "Properties, plant and equipment". It is clarified that the income-based depreciation method is not considered valid, therefore, only depreciation based on activity methods is allowed.

NIF C-8 "Intangible Assets". It provides that the depreciation method on intangible assets based on the income associated with the use of such assets is not appropriate.

NIF C-14 "Transfer and disposal of financial assets". It provides that the subsequent recognition of an asset transferred shall be carried out on the basis of the relative rules, eliminating the previous methodology which stated that, when subsequent recognition was performed at fair value, the effects of the asset transferred would be recognized in income statements.

2019

NIF D-5 "Leases". It establishes the rules of valuation, presentation, and disclosure of the leases through a single accounting model by the lessee. It requires the lessee to recognize, from the inception of the lease:

- a) Lease liability (lease payments at present value), and
- b) For that same amount, an asset called asset for the right to use, which represents his right to use the underlying leased asset.

The standard modifies the presentation in the statement of cash flows, provides that the payments to lessor shall be disclosed under financing activities. Likewise, it modifies the recognition in sale and lease back transactions, requiring the seller-lessee to recognize as a sale of rights transferred to the buyer-lessor.

Note 9. Approval of financial statements

On April 23, 2020, Alekh Gupta, Sole Manager, authorized the issuance of these financial statements and their corresponding notes as of December 31, 2019.



Alekh Gupta
Sole Manager

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LTD.**Directors' Report**

Dear Members,

The Directors have pleasure in presenting their 5th Annual report and audited accounts for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS

(INR in Lakhs)

Particulars	2019-20	2018-19
Total Income	1031.93	720.87
Profit / (Loss) before Tax	119.16	94.34
Less : Provision for Tax	26.88	29.04
Net Profit / (Loss) after Tax	92.29	65.31
Add: Balance brought forward from previous year	129.43	91.59
Balance carried forward to next year	221.73	156.9

2. STATE OF COMPANY AFFAIRS

The gross sales and other income for the financial year under review were Rs. 1031.93 Lakhs as against Rs.720.87 Lakhs for the previous financial year registering an increase of 43.15%. The profit after tax was Rs. 92.29 Lakhs for the financial year under review as against profit after tax of Rs. 65.31 Lakhs for the previous financial year.

3. CHANGE IN SHARE CAPITAL

During the year under review, there was no change in share capital of the Company.

4. CAPITAL EXPENDITURE

As at March 31, 2020, the gross fixed and intangible assets, stood at Rs. 203.45 Lakhs (previous year Rs. 163.49 Lakhs) and the net fixed and intangible assets, at Rs. 107.73 Lakhs (previous year Rs. 100.65 Lakhs). Capital Expenditure during the year amounted to Rs. 39.96 Lakhs.

5. DEPOSITS

During the year ended March 31, 2020, the Company has not accepted and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

6. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

The Company does not have any subsidiary/associate/joint venture companies.

7. TRANSFER TO RESERVES

The Directors do not propose to transfer any amount to reserves during the period under review.

8. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

The Company has not given any loan, guarantees, security or made any investment during the financial year 2019-20 as specified under section 186 of Companies Act, 2013.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions entered with related parties during the financial year 2019-20 were in the ordinary course of business and at arm's length. Particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013, in FORM AOC-2 is attached as Annexure A.

10. DIVIDEND

With a view to improve the business performance and conserve financial resources, the Directors have not recommended dividend on equity shares for the financial year 2019-20.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

After March 31, 2020 and upto the date of this report, there has been no material changes and commitments affecting the financial positions of the Company except the following:

➤ **Shifting of Registered Office from State of Tamil Nadu to State of Maharashtra**

The Company made an application with Regional Director, Chennai on March 21, 2020 for shifting the registered office of the Company from State of Tamil Nadu to State of Maharashtra under the Registrar of Companies, Mumbai, for administrative convenience, effective management of compliances and ease of liaising with common regulatory authorities. As on the date of this report, approval of Regional Director is awaited on the said application.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- A. The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information as per Rule 8 Companies (Accounts) Rules, 2014.
- B. No technology has been developed and / or imported by way of foreign collaboration.
- C. Foreign exchange earnings and outgo:

S.N	PARTICULARS	AMOUNT (Rs in Lakhs)	
		31 ST MARCH 2020	31 ST MARCH 2019
1	Earnings in Foreign Exchange during the year	142.75	88.67
2	Expenditure in Foreign Exchange during the year	-	-

13. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review, the Board of Directors of the Company at its meeting held on July 25, 2019 accepted resignation of Mr. Mathansingh Balasingh as Whole-time Director of the Company with effect from close of business hours on August 16, 2019 and approved continuation of his Directorship as Non-Executive Director of the Company with effect from August 17, 2019.

Besides above, there has been no change in the Key Managerial Personnel of the Company.

Mr. Mathansingh Balasingh, Non-Executive Director of the Company, is retiring by rotation at the ensuing AGM of the Company and being eligible, offers himself for re-appointment. Details of Directors proposed to be appointed as required under Secretarial Standard 2 on General Meetings ('SS-2') is given in the Notice convening the AGM in 2020.

14. MEETINGS OF THE BOARD OF DIRECTORS

The Board Meetings were convened at appropriate intervals with a maximum time gap not exceeding more than 120 days between two consecutive meetings and the Agenda of the meetings are circulated in advance. During the year under review, five meetings were held on April 30, 2019, June 18, 2019, July 25, 2019, October 16, 2019 and February 13, 2020. Attendance of the Board members at these meeting is as under:

Name of Director	Category	No. of Meetings held during the year	No. of Meetings Attended
Mr. Ashok Kumar Sonthalia	Non-Executive Director	5	5
Mr. Mathansingh Balasingh*	Non-Executive Director	5	5
Mr. Kedar Krishna Gadgil	Non-Executive Director	5	5

**Change in designation from Whole-time Director to Non-Executive Director w.e.f August 17, 2019*

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

16. RISK MANAGEMENT POLICY:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal. However, Larsen & Toubro Infotech Limited (LTI'), holding company, has formulated a Risk Management Policy and the Company being wholly-owned subsidiary, is being covered by the Risk Management Policy of LTI.

17. STATUTORY AUDITOR

M/s PSDY & Associates, Chartered Accounts (FRN. 0106255), were appointed as first Statutory Auditors of the Company at the 1st AGM held on September 30, 2016 for a period of five years from the 1st AGM till the conclusion of 6th AGM of the Company to be held in 2021.

The Auditor's Report on the audited Financial Statements of the Company for the year ended March 31, 2020 does not contain any qualification and therefore do not call for any comments from Directors. Further the Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013. The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India ('ICAI') and hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

18. EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013 an extract of the Annual Return is attached as Annexure B.

19. CORPORATE GOVERNANCE

Disclosure required under Section II of Part II of Schedule V of the Companies Act, 2013 with respect to elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc of all the Directors, details of fixed component and performance linked incentives alongwith the performance criteria are provided in the extract of the Annual Return attached as Annexure B. Other details under this Section pertaining to Mr. Mathansingh Balasingh, are as under:

1. Service contracts, notice period, severance fees – 90 days' notice in writing or gross three months' salary in lieu thereof
2. Stock option details, if any, - Not applicable

20. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

21. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Directors wish to state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

23. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

24. ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, vendors, management of the Holding Company, Financial Institutions, Banks, Central and State Government authorities, and all the various other stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board of Directors

Date: May 8, 2020	Ashok Kumar Sonthalia Director (DIN: 03259683) Place : Mumbai, India	Kedar Krishna Gadgil Director (DIN: 07224639) Place : Mumbai, India
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ANNEXURE – A**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Rs.)	Date(s) of approval by the Board	Amount paid as advances, if any: (Amount in Rs.)
Syncordis SA, Luxembourg (Fellow Subsidiary)	IT Consulting and Support Services	April 2019 to March 2020	7,73,44,641	NA	NIL
Syncordis Limited, UK (Fellow Subsidiary)	IT Consulting and Support Services	April 2019 to March 2020	76,10,028	NA	NIL

For and on behalf of the Board of Directors

Ashok Kumar Sonthalia
Director
(DIN: 03259683)
Place : Mumbai, India

Kedar Krishna Gadgil
Director
(DIN: 07224639)
Place : Mumbai, India

Date: May 8, 2020

ANNEXURE -B**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]**i) REGISTRATION AND OTHER DETAILS:**

S.N.	Particulars	
1	CIN	U72900TN2015FTC101675
2	Registration Date	5 th August 2015
3	Name of the Company	Syncordis Software Services India Private limited
4	Category/ Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office and contact details	Block - 4, 10th Floor, "A" Wing, DLF IT Park (SEZ Campus), 1/124, Shivaji Gardens, Manapakkam, Chennai Chennai TN 600089 IN Tel: 044-43527200 Email: syncordis-india@syncordisconsulting.com
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

ii) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

S. N.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Computer programming, consultancy and related activities	620	100.00

iii) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Larsen & Toubro Infotech Limited Add: L&T House, N. M. Marg, Ballard Estate, Mumbai-400001	L72900MH1996PLC104693	Holding Company	100.00	2(46)

iv) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family*	0	1	1	0.00	0	1	1	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	449,999	449,999	100.00	0	449,999	449,999	100.00	0.00
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A1)	0	450,000	450,000	100.00	0	450,000	450,000	100.00	0.00
(2)	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	0	0	0.00					
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A1 + A2)	0	450,000	450,000	100.00	0	450,000	450,000	100.00	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0
(b)	Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
(c)	Central Government	0	0	0	0	0	0	0	0	0
(d)	State Government(s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B1)	0	0	0	0	0	0	0	0	0
(2)	Non – Institutions	0	0	0	0	0	0	0	0	0
(a)	Individuals	0	0	0	0	0	0	0	0	0
	i) Individual Shareholders holding nominal Equity Share Capital up to Rs.1 Lakh	0	0	0	0	0	0	0	0	0

	ii) Individual Shareholders holding nominal Equity Share Capital in excess of Rs.1 Lakh	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
(i)	Foreign Nationals	0	0	0	0	0	0	0	0	0
(ii)	Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(ii)	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
(iv)	Non Resident Indians (Non-Repat)	0	0	0	0	0	0	0	0	0
(v)	Clearing Member	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0
	Sub-total (B2)	0	0	0	0	0	0	0	0	0
	Total Public Shareholding (B) = (B1 + B2)	0	0	0	0	0	0	0	0	0
	TOTAL (A+B)	0	450,000	450,000	100.00	0	450,000	450,000	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	0	450,000	450,000	100.00	0	450,000	450,000	100.00	0.00

*Mr. Kedar Krishna Gadgil is holding one equity share as a nominee of Larsen & Toubro Infotech Limited.

b) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Larsen & Toubro Infotech Limited	449,999	100.00	0.00	449,999	100.00	0	0.00
2	Kedar Gadgil*	1	0.00	0.00	1	0.00	0	0.00
	Total	450,000	100.00	0.00	450,000	100.00	0.00	0.00

*Mr. Kedar Gadgil holds shares as a nominee of Larsen & Toubro Infotech Limited

c) Change in Promoters' Shareholding: NOT APPLICABLE

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	Kedar Krishna Gadgil		1	0.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	-	-	-	-	-	-
	At the end of the year		-	-	-	1	0.00

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (DURING THE FINANCIAL YEAR 2019-20)

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

S. N.	Particulars of Remuneration	Mathansingh Balasingh (Whole-time Director)
1	Gross salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,547,768
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
2	No. of Stock Options granted	-
3	Sweat Equity	-
4	Commission: - as % of profit -others,	-
5	Others (please specify):	
	1. Variable Compensation	8,00,000
	2. Contribution to Provident Fund & Superannuation Fund	78,039
	Total (A)	2,425,806

Notes:

1. Pursuant to proviso to Section 197 read with Section 2(71) of the Companies Act, 2013 (Act), the increase in remuneration of Mr. Mathansingh Balasingh was approved by the shareholders at the Extra-Ordinary General Meeting held on June 19, 2019.
2. Mr. Mathansingh Balasingh ceased to be a Whole-time Director of the Company with effect from close of business hours of August 16, 2019 and continued as a Non-Executive Director with effect from August 17, 2019.

B. Remuneration to other Directors:

(S. N.)	Particulars of Remuneration	Fee for attending Board Meetings	Commission	Total Amount
Non-Executive Directors				
1	Mr. Kedar Krishna Gadgil	0	0	0
2	Mr. Ashok Kumar Sonthalia	0	0	0
	Total Remuneration	0	0	0

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: NOT APPLICABLE**viii) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board of Directors

Ashok Kumar Sonthalia
Director
(DIN: 03259683)
Place : Mumbai, India

Kedar Krishna Gadgil
Director
(DIN: 07224639)
Place : Mumbai, India

Date: May 8, 2020

PSDY & ASSOCIATES

Chartered Accountants
Old No 38, New No 28, 1st Floor,
Shakthi Apartments, College Road,
Nungambakkam, Chennai - 600 006.
Ph No.044-2826 2826 / 2826 2926

INDEPENDENT AUDITOR'S REPORT

To the Members of **SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**

Report on the Audit of Financial Statements**Opinion**

We have audited the accompanying financial statements of M/s. **SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting Standard Rule 2015), as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”

g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirement of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and protection Fund by the Company.

For **PSDY & Associates**
Chartered Accountants
FRN:010625S

Yashvant G
Partner
M.No: 209865

Place: Chennai
Date: May 08, 2020

PSDY & ASSOCIATES

Chartered Accountants

Old No 38, New No 28, 1st Floor,
Shakthi Apartments, College Road,
Nungambakkam, Chennai - 600 006.
Ph No.044-2826 2826 / 2826 2926

Annexure A to the Auditors' Report –

(Referred to in paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Member of **SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED of even date**)

- i. In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company.
- ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loan, secured or unsecured, to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, Paragraph 3(iii) of the order is not applicable to the Company.
- iv. The Company has not made any investments, loans, guarantees and security. Therefore, Section 185 and 186 of the Companies Act, 2013 is not applicable to the Company.
- v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3(v) of the order is not applicable to the Company.
- vi. The maintenance of the cost record has not been specified by the Central Government under section 148(1) of the companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii.
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, value added tax, Goods and Services Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
 - b. According to the information and explanations given to us, the company has no disputed amount payable in respect of Provident Fund, Employees' State Insurance, Income tax, sales tax, service tax, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they become payable.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.

- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year hence reporting under clause. Hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanation given to us, the company paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
- xii. The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For PSDY & Associates

Chartered Accountants

FRN: 010625S

Yashvant G

Partner

M.No: 209865

Place: Chennai

Date: May 08, 2020

PSDY & ASSOCIATES

Chartered Accountants
 Old No 38, New No 28, 1st Floor,
 Shakthi Apartments, College Road,
 Nungambakkam, Chennai - 600 006.
 Ph No.044-2826 2826 / 2826 2926

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For PSDY & Associates

Chartered Accountants
FRN:010625S

Yashvant G
Partner
M.no:209865

Place: Chennai
Date: May 08, 2020

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Balance Sheet as at March 31, 2020

CIN: U72900TN2015FTC101675

(₹ in '000)

Particulars	Note	March 31, 2020	March 31, 2019
ASSETS			
(1) Non-current assets			
a) Property, Plant and Equipment	1	10,685	9,824
b) Right of use assets	2	42,060	-
c) Other intangible assets	3	88	240
d) Financial Assets			
i) Loans	6	2,280	2,113
e) Deferred tax assets (net)	7	2,172	23
f) Other non-current assets	9	1,929	1,410
		59,214	13,610
Current assets			
a) Financial Assets			
i) Trade receivables	4	16,877	9,321
ii) Cash & Cash Equivalents	5	4,861	6,106
b) Current Tax Assets (net)	8	1,185	-
c) Other current assets	9	741	1,297
		23,664	16,724
TOTAL		82,878	30,334
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	10	4,500	4,500
b) Other Equity	11	22,173	15,690
		26,673	20,190
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Lease liabilities	12	39,529	-
b) Provisions	13	-	-
		39,529	-
Current liabilities			
a) Financial liabilities			
i) Trade payables	15	4,053	4,620
ii) Lease liabilities	12	6,460	-
b) Provision	13	2,343	3,088
c) Other current liabilities	14	3,820	2,277
d) Current Tax Liabilities (Net)		-	160
		16,676	10,144
Total Equity and Liabilities		82,878	30,334
Significant accounting policies and other notes	A3		

As per our report attached

PSDY & Associates

Chartered Accountants

Firm's Registration No.:010625S

For and on behalf of the Board

Yashvant G

Partner

Membership No.: 209865

Ashok Kumar Sonthalia

Director

DIN : 03259683

Kedar Krishna Gadgil

Director

DIN : 07224639

Place: Chennai

Date: May 08, 2020

Place: Mumbai

Date: May 08, 2020

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

CIN:U72900TN2015FTC101675

(₹ in '000)

Particulars	Note	2019-20	2018-19
REVENUE			
Revenue from Operations	16	102,453	70,827
Other income	17	740	1,260
Total income		103,193	72,087
EXPENSES			
Employee benefit expense	18	64,644	42,434
Operating expenses	19	11,531	15,932
Finance costs	20	4,125	-
Depreciation, amortisation and obsolescence	1	9,596	2,375
Other expenses	21	1,381	1,912
Total expenses		91,277	62,653
Profit before tax		11,916	9,434
Tax Expense:			
Current tax		4,138	2,834
Adjustment of tax relating to earlier periods		-	-
MAT credit entitlement		-	-
Deferred tax		(1,451)	69
Profit for the year		9,229	6,531
Other Comprehensive Income	22		
Nature			
Income-tax effect			
i) Items that will not be reclassified to profit or loss (net of tax)		-	-
a) Remeasurement of the defined benefit liabilities / asset		(757)	-
ii) Items that will be reclassified to profit or loss (net of tax)		-	-
Total comprehensive income for the year		8,472	6,531
Earnings per equity share (Basic and Diluted)	A10	18.83	14.51
Face value per equity share		10.00	10.00

As per our report attached

PSDY & Associates

Chartered Accountants

Firm's Registration No.:010625S

For and on behalf of the Board

Yashvant G

Partner

Membership No.: 209865

Ashok Kumar Sonthalia

Director

DIN : 03259683

Kedar Krishna Gadgil

Director

DIN : 07224639

Place: Chennai

Date: May 08, 2020

Place : Mumbai

Date: May 08, 2020

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Statement of cash flows for the year ended 31 March 2020

CIN : U72900TN2015FTC101675

(₹ in '000)

S. No.	Particulars	2019-20	2018-19
A	Net Profit before tax and extraordinary items	11,159	9,434
	Adjustments for		
	Depreciation and amortisation expense	9,596	2,375
	Finance Cost	4,125	-
	Loss on sale of Fixed asset	-	91
	Impairment loss recognized / (reversed) under ECL model	61	-
		24,941	11,900
	Changes in Assets & Liabilities		
	Increase / (Decrease) in provisions	(745)	2,784
	Increase / (Decrease) in trade payables and other financial liabilities	976	4,939
	(Increase) / Decrease in Trade Receivables	(7,617)	(4,560)
	(Increase) / Decrease in short term loans and advances	(167)	(1,063)
	(Increase) / Decrease in Other Financial assets	-	(47)
	(Increase) / Decrease in other current and non-current assets	1,966	(1,622)
	Net cash generated from/(used in) operating activities	19,354	12,330
	Direct taxes paid (net of refunds)	5,480	2,965
	Net Cash(used in)/generated from Operating Activities	13,874	9,366
B	Cash flow from investing activities		
	Purchase of Property plant and equipment and intangible assets	(3,996)	(10,237)
	Capital advance for purchase of Property plant and equipment	(1,929)	-
	Sale of property plant and equipment and intangible assets	-	61
	Net cash (used in)/generated from investing activities	(5,925)	(10,176)
C	Cash flow from financing activities		
	Payment of Lease Liabilities	(9,194)	-
	Net cash (used in)/generated from financing activities	(9,194)	-
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,245)	(810)
	Cash and cash equivalents as at the beginning of the year	6,106	6,916
	Cash and cash equivalents as at the end of the year	4,861	6,106

As per our report attached

PSDY & Associates

Chartered Accountants

Firm's Registration No.:010625S

For and on behalf of the Board

Yashvant G

Partner

Membership No.: 209865

Ashok Kumar Sonthalia

Director

DIN : 03259683

Kedar Krishna Gadgil

Director

DIN : 07224639

Place: Chennai

Date: May 08, 2020

Place: Mumbai

Date: May 08, 2020

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

CIN : U72900TN2015FTC101675

A Equity Share Capital

(₹ in '000)

Particulars	Note	No of shares	Amount
Balance as at 1 April 2018		450000	4,500
Changes in equity share capital during the year	10	-	-
Balance as at 31 March 2019		450000	4,500
Changes in equity share capital during the year	10	-	-
Balance as at 31 March 2020		450000	4,500

B Other Equity

Particulars	Reserves & Surplus	Other Comprehensive Income
	Retained earnings	Other items of Other Comprehensive Income / (loss)
Balance as at 01 April 2018	9,159	-
Profit for the year	6,531	-
Other comprehensive income	-	-
Transfer to retained earnings	-	-
Transfer from Other Comprehensive Income	-	-
Balance as at 31 March 2019	15,690	-

Particulars	Reserves & Surplus	Other Comprehensive Income
	Retained earnings	Other items of Other Comprehensive Income / (loss)
Balance as at 01 April 2019	15,690	-
Impact on account of adoption of Ind AS 116	(1,989)	-
Profit for the year	9,229	-
Other comprehensive income	-	(757)
Transfer to retained earnings	-	757
Transfer from Other Comprehensive Income	(757)	-
Balance as at 31 March 2020	22,173	-

As per our report attached
PSDY & Associates
Chartered Accountants
Firm's Registration No.:010625S

For and on behalf of the Board

Yashvant G
Partner
Membership No.: 209865

Ashok Kumar Sonthalia
Director
DIN : 03259683

Kedar Krishna Gadgil
Director
DIN : 07224639

Place: Chennai
Date: May 08, 2020

Place: Mumbai
Date: May 08, 2020

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes forming part of Accounts

1 Property, Plant and Equipment

2018-19

(₹ in 000)

Particulars	Gross Carrying Amount				Depreciation				Book Value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	On Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Tangible Assets										
Owned										
Leasehold Improvements	-	2,378	-	2,378	-	240	-	240	2,138	-
Plant and Machinery-I	-	1,899	-	1,899	-	253	-	253	1,646	-
Plant and Machinery-II	-	397	-	397	-	31	-	31	366	-
Furniture and fixtures	48	2,096	48	2,096	26	321	26	321	1,775	22
Office equipment	653	565	573	645	489	130	443	176	469	164
Computers, laptops and printers	4,161	2,840	-	7,001	2,453	1,118	-	3,571	3,430	1,708
Total	4,862	10,175	621	14,416	2,968	2,093	469	4,592	9,824	1,894

2019-20

Particulars	Gross Carrying Amount				Depreciation				Book Value	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	For the year	On Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets										
Owned										
Leasehold Improvements	2,378	-	-	2,378	240	289	-	529	1,849	2,138
Plant and Machinery-I	1,899	-	-	1,899	253	314	-	567	1,332	1,646
Plant and Machinery-II	397	-	-	397	31	37	-	68	329	366
Furniture and fixtures	2,096	-	-	2,096	321	389	-	709	1,386	1,775
Office equipment	645	75	-	720	176	124	-	300	419	469
Computers, laptops and printers	7,001	3,921	-	10,922	3,571	1,982	-	5,553	5,369	3,430
Total	14,416	3,996	-	18,412	4,592	3,135	-	7,727	10,685	9,824

2 Right of use assets

2018-19

(₹ in 000)

Particulars	Gross Carrying Amount				Depreciation				Book Value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	On Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Right of use assets- DLF premises	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

2019-20

Particulars	Gross Carrying Amount				Depreciation				Book Value	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	For the year	On Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Right of use assets- DLF premises	-	48,369	-	48,369	-	6,309	-	6,309	42,060	-
Total	-	48,369	-	48,369	-	6,309	-	6,309	42,060	-

3 Other intangible assets

2018-19

(₹ in 000)

Particulars	Gross Carrying Amount				Depreciation				Book Value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	On Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Software	1,871	62	-	1,933	1,410	283	-	1,693	240	461
Total	1,871	62	-	1,933	1,410	283	-	1,693	240	461

2019-20

Particulars	Gross Carrying Amount				Depreciation				Book Value	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	For the year	On Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	1,933	-	-	1,933	1,693	152	-	1,845	88	240
Total	1,933	-	-	1,933	1,693	152	-	1,845	88	240

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes forming part of Accounts**

4	Trade receivables	(₹ in 000)	
		March 31, 2020	March 31, 2019
	Particulars	Current	Current
	Unsecured, considered good	16,877	9,321
	Credit impaired	61	-
	Less: Allowance for Credit Losses	61	-
		16,877	9,321

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5 Cash and cash equivalents

Particulars	(₹ in 000)	
	March 31, 2020	March 31, 2019
a) Balances with banks		
<i>In Current Accounts</i>	4,847	6,079
b) Cash on hand	14	27
	4,861	6,106

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes forming part of Accounts

6 Loans

(₹ in 000)

Particulars	March 31, 2020			March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Security Deposits						
- Unsecured, considered good	-	2,280	2,280	-	2,113	2,113
	-	2,280	2,280	-	2,113	2,113

7 Deferred Tax Assets (net)

(₹ in 000)

Particulars	March 31, 2020	March 31, 2019
Deferred Tax Liabilities		
Depreciation / Amortisation	72	-
Preliminary Expenses	-	2
Amortisation of Rent	42	
Deferred Tax Assets		
Depreciation / Amortisation	-	13
Preliminary Expenses	-	12
Provision for Bonus	453	-
Provision for Leave Encashment	399	-
On Account of Ind As 116- Leases	1,419	-
Allowance for Credit losses	15	-
Deferred Tax Assets / (Liabilities)	2,172	23

8 Current Tax Assets (net)

(₹ in 000)

Particulars	March 31, 2020			March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
TDS receivable current year	726	-	726	-	-	-
Provision for current tax	459	-	459	-	-	-
	1,185	-	1,185	-	-	-

9 Other non-current and current assets

(₹ in 000)

Particulars	March 31, 2020			March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Advance recoverable other than in cash						
Capital Advances	-	1,929	1,929	-	-	-
Prepaid expenses	721	-	721	641	1,410	2,051
Dues from Revenue Authorities	20	-	20	609	-	609
Advances to employees	-	-	-	47	-	47
	741	1,929	2,670	1,297	1,410	2,707

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes forming part of Accounts

10 Share Capital

(i) Authorised, issued, subscribed and paid up

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	(₹ in 000)	No. of shares	(₹ in 000)
Authorised:				
Equity shares of ₹ 10 each	450,000	4,500	450,000	4,500
Issued, subscribed and fully paid up	450,000	4,500	450,000	4,500
Equity shares of ₹ 10 each	450,000	4,500	450,000	4,500

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	(₹ in 000)	No. of shares	(₹ in 000)
At the beginning of the year	450,000	4,500	450,000	4,500
Issued during the year as fully paid	-	-	-	-
At the end of the year	450,000	4,500	450,000	4,500

(iii) Terms / rights attached to equity shares

- (a) The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- (b) The Company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.
- (c) The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.
- (d) The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any specific shareholder.

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	(₹ in 000)	No. of shares	(₹ in 000)
L&T Infotech Ltd	449,999	4,500	449,999	4,500
Mr. Kedar Gadgil (As nominee shareholder for Larsen & Toubro Infotech Limited)	1	0	1	0
	450,000	4,500	450,000	4,500

(v) Details of Shareholders holding more than 5% shares in the company:

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	%	No. of shares	%
L&T Infotech Ltd	449,999	99.99%	449,999	99.99%
	449,999	99.99%	449,999	99.99%

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL (Previous period of five years ended 31 March 2019 : Nil)

(vii) Calls unpaid : NIL; Forfeited Shares : NIL (Previous period of five years ended 31 March 2019: Nil)

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes forming part of Accounts****11 Other equity**

(₹ in 000)

Particulars	As at March 31, 2020	As at March 31, 2019
Surplus / (Deficit) in Statement of profit or loss		
Balance at the beginning of the year	15,690	9,159
Impact on account of adoption of Ind AS 116	(1,989)	
Profit for the year	9,229	6,531
Other comprehensive income arising from remeasurement of defined benefit obligation (net of tax)	(757)	-
	22,173	15,690
	22,173	15,690

B Surplus / (Deficit) in Statement of profit or loss

Surplus / (Deficit) in profit or loss represents the accumulated profits / losses of the Company.

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED
Notes forming part of Accounts

12 Lease liabilities

(₹ in 000)

Particulars	March 31, 2020			March 31, 2019		
	Current	Non current	Total	Current	Non current	Total
a) Lease Liability- DLF Premises	6,460	39,529	45,989	-	-	-
	6,460	39,529	45,989	-	-	-

13 Provisions

(₹ in 000)

Particulars	March 31, 2020			March 31, 2019		
	Current	Non current	Total	Current	Non current	Total
Provision for employee benefits						
a) Leave Encashment	1,175	-	1,175	2,092	-	2,092
b) Gratuity liability	1,168	-	1,168	996	-	996
	2,343	-	2,343	3,088	-	3,088

14 Other liabilities

(₹ in 000)

Particulars	March 31, 2020			March 31, 2019		
	Current	Non current	Total	Current	Non current	Total
a) Statutory payables	2,020	-	2,020	1,077	-	1,077
b) Employee Liabilities-Bonus	1,800	-	1,800	1,200	-	1,200
	3,820	-	3,820	2,277	-	2,277

15 Trade payables

(₹ in 000)

Particulars	March 31, 2020	March 31, 2019
a) Due to micro and small enterprises	13	6
b) Due to related parties	3,000	4,000
c) Due to others	183	302
d) Accrued Expenses	857	312
	4,053	4,620

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes forming part of Accounts

16 Revenue from operations			(₹ in 000)
Particulars	2019-20	2018-19	
Operating revenue:			
IT Solutions & Consulting Services	102,453	70,827	
	102,453	70,827	
17 Other income			(₹ in 000)
Particulars	2019-20	2018-19	
Net gain/(loss) on Foreign Exchange Fluctuation	740	1,260	
	740	1,260	
18 Employee benefit expenses			(₹ in 000)
Particulars	2019-20	2018-19	
Salaries, wages and bonus [<i>Refer note (a) below</i>]	59,848	36,247	
Contributions to and provisions for:			
Provident and pension funds (Refer note)	3,132	1,966	
Leave Entitlement	-849	1,788	
Gratuity Fund	411	996	
Staff welfare expenses	2,102	1,437	
	64,644	42,434	
19 Operating expenses			(₹ in 000)
Particulars	2019-20	2018-19	
Accounting Charges	8	96	
Advertisement Expenses	15	-	
Impairment loss recognized / (reversed) under ECL model	61	-	
Insurance	24	8	
Manpower Consultancy	1,103	394	
Postage and Telegram	15	9	
Power and fuel	590	488	
Rent, Rates and taxes	278	7,254	
Repairs and maintenance	3,545	3,193	
Telephone & Communication	1,886	1,746	
Travelling and conveyance	4,006	2,744	
	11,531	15,932	
20 Finance costs			(₹ in 000)
Particulars	2019-20	2018-19	
Interest on Lease Liability	4,125	-	
	4,125	-	

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes forming part of Accounts****21 Other expenses**

(₹ in 000)

Particulars	2019-20	2018-19
Professional fees	706	1,208
Printing and stationery	74	109
Loss on asset held for sale	-	91
Bank Charges	69	37
Miscellaneous expenses	52	17
Professional fees includes Auditors remuneration		
a) As auditor	225	200
b) For taxation matters	195	250
d) For other services	60	-
	1,381	1,912

22 Other comprehensive income

(₹ in 000)

Particulars	2019-20	2018-19
(a) Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans (net off taxes)	(757)	-
Income tax relating to items that will not be reclassified to profit or loss	-	-
	(757)	-
(b) Items that will be reclassified to profit or loss	-	-
	-	-
	(757)	-

Total

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****A1 Corporate Information**

Syncordis Software Services India Private Limited ("the Company"), was promoted by Syncordis S.A, Luxembourg as its 100% Subsidiary in August 2015, wholly owned by Larsen & Toubro Infotech Limited ("LTI"). The Company provides IT consultancy and support services exclusively for the FSI supported by the Temenos T24 banking system.

During the year 2017-18 Larsen & Toubro Infotech Limited acquired 100% shares of the company from Syncordis S.A, Luxembourg, thus becoming its wholly owned Subsidiary

A2 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. 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

A3 Significant Accounting Policies**a. Basis of accounting**

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. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards Amendment) Rules, 2016 and Companies (Indian Accounting Standards Amendment) Rules 2017.

Amount in financial statements are presented in Indian Rupees, which is the company's functional currency. All the financial information presented in INR has been rounded off to the nearest thousand.

b. Presentation of financial statements

The statement of financial position and the statement of Profit and Loss are prepared and presented in the format prescribed in Division II of Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

c. Operating cycle for current and non-current classification

An asset or a liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realized/settled, or is intended for sale or consumption, in the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realized/due to be settled within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
- v. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020**

All other assets and liabilities are classified as non-current.

Deferred tax asset and liabilities are classified as non-current only.

d. Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers. Revenue is measured based on the consideration specified in a contract with a customer, and is reduced for volume discounts, rebates and other similar allowances.

Revenue from contracts priced on time and material basis is recognised when services are rendered and the related costs are incurred.

Revenue from Software Development, Implementation and Support Services recognised on full cost plus margin as agreed with Syncordis SA, deducted by price charged to other parties.

Revenue from contracts with other parties other than Syncordis SA includes payment clause on the basis of time lapse (hourly or monthly etc.), revenue is recognised to the the extent the company has right to invoice. In such cases, customers are invoiced on monthly basis and consideration is payable when invoiced.

e. Other Income

Other items of income are accounted as and when the right to receive arises.

f. Employee benefits***i) Short term employee benefits***

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

ii) Post Employment Benefits**a. Defined contribution plan**

The company's state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

b. Defined Benefit Plans

The company has formed employees gratuity fund trust in the name of "Syncordis Software Services India Private Limited Employees Gratuity Fund Trust". The Present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The company fully contributes all the ascertained liabilities to the Syncordis Software Services India Private Limited Employees Gratuity Fund Trust. Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian law.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government bonds as at the balance sheet date having maturity periods approximating to the terms of related obligations. Gains and losses through re-measurement of the net defined benefit liability / (asset) are recognised in other comprehensive income and are not reclassified to profit and loss in subsequent periods.

c. Long term employment benefits

The obligation for long term employee benefits like long term compensation absences is recognised as determined by actuarial valuation performed by independent actuary at each balance sheet date using Projected Unit Credit Method on the additional amount expected to be paid / availed as a result of unused entitlement that has accumulated at balance sheet date. Actuarial gains and losses are recognised immediately in statement of profit and loss.

g. Property, plant and equipment

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020**

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

ii. Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is not exposed to Interest rate risk as there are no borrowings.

iii. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company measures risk through sensitivity analysis.

The company's risk management policy is to mitigate the risk by investments in diversified funds.

iv. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

any, and the reversal of impairment loss recognised in previous periods, if any.

An impairment loss, if any, is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

j. Leases

The company has applied Ind AS 116 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings on the date of initial application. Therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture & fixtures and vehicles. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially of the economic benefits from use of the asset throughout the period of the lease and (3) the company has the right to direct the use of the asset throughout the period of use.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020**

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition:

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee’s incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 4,83,69,303/- and a lease liability of ₹ 4,94,35,666/-. The cumulative effect of applying the standard, amounting to ₹ 19,89,211/- was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note No.A9 of annual financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.73%.

k. Depreciation

i) Tangible assets

Depreciation on assets have been provided as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortisation on addition and disposal are calculated on pro-rata basis from and to the month of additions and disposal.

Sl No.	Particulars	Useful Life
1	Computer and IT Peripherals	Upto 3 years
2	Plant and Machinery	Upto 15 years
3	Office Equipment	Upto 5 years
4	Furniture and Fixtures	Upto 10 years

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020**

ii) Intangible assets

the estimated useful life of an identifiable intangible asset is based on the number of factors including the effects of obsolescence, demand, competition and other economic factor and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

Sl No.	Particulars	Useful Life
1	Computer Software	Upto 3 years

iii) The property plant and equipment acquired under finance leases is depreciated over the the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

iv) Advances paid towards the acquisition of property plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Repairs and maintenance cost are recognised in statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and the resultant gain or losses are recognised in the statement of Profit and Loss.

l. Functional and presentation currency

The functional and presentation currency of the company is the Indian Rupee as it is the currency of primary economic environment in which the company operates.

m. Foreign currency transactions and balances

Foreign currency transactions are initially recorded at the rates prevailing on the date of transaction. At the balance sheet date, foreign currency monetary item are reported using the closing rate and the gain or loss on such translation are charged to the Statement of profit and loss.

n. Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assetsInitial recognition and measurement

The Company classifies its investments and financial assets in the following measurement categories:

- those to be measured at cost (investment in subsidiaries)
- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured subsequently at fair value through profit and loss

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value of those financial assets.

Subsequent measurement

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****ii) Financial liabilities**Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities on the basis of the operating cycle of the Company.

Subsequent measurement

Fair value through profit or loss (FVTPL): Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. All changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

o. Income Tax**Current tax**

The current income tax charge is calculated on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act 1961, any amendments / rules that have been enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- I) the Company has a present obligation as a result of a past event;
- II) a probable outflow of resources is expected to settle the obligation; and
- III) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****q. Segment accounting**

Operating segments are defined as components of an enterprise for which discrete financial information is used regularly by the Company's Chief Operating Decision Maker in deciding how to allocate resources and assessing performance.

I) Segment revenue is the revenue directly identifiable with or allocable to the segment.

II) Expenses that are directly identifiable with or allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not identifiable with or allocable to segments are included under "unallocable expenses".

III) Other income which relates to the Company as a whole and not identifiable with or allocable to segments is included in "unallocable income".

IV) Assets and liabilities used in the Company's business are not identified to any of the reportable segment as these are used interchangeably.

r. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements").

A4 Standards issued but not effective

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

a. Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

b. Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 - Business Combination
2. Ind AS 1- Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 - Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****A5 Dues to micro enterprises and small enterprises**

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier and vendors of the company. Based on the information available with the Company, as at the year end, there are only two vendors classified as MSMED having a total outstanding dues of INR 12600/-.

A6 Disclosure of Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"**a List of Related Parties:**

Larsen & Toubro Limited	Ultimate Holding company
Larsen & Toubro Infotech Limited	Holding Company
Larsen & Toubro Infotech GmbH	Fellow Subsidiary
Larsen & Toubro Infotech Canada Limited	Fellow Subsidiary
Larsen & Toubro Infotech LLC	Fellow Subsidiary
L&T Infotech Financial Services Technologies Inc.	Fellow Subsidiary
Larsen & Toubro Infotech South Africa (Proprietary) Limited	Fellow Subsidiary
L&T Information Technology Services (Shanghai) Co. Limited	Fellow Subsidiary
Larsen & Toubro Infotech Austria GmbH	Fellow Subsidiary
L&T Information Technolo	Fellow Subsidiary
L&T Infotech S. DE R.L. DE C.V.	Fellow Subsidiary
Syncordis S.A.	Fellow Subsidiary
Syncordis France SARL	Fellow Subsidiary
Syncordis Limited	Fellow Subsidiary
Syncordis Software Services S.A.	Fellow Subsidiary
Larsen & Toubro Infotech Norge AS	Fellow Subsidiary
Ruletronics Systems Private Limited	Fellow Subsidiary
Ruletronics Limited	Fellow Subsidiary
Ruletronics Systems Inc	Fellow Subsidiary
Lymbyc Solutions Inc.	Fellow Subsidiary
Lymbyc Solutions Private Limited	Fellow Subsidiary
Powerup Cloud Technologies Private Limited	Fellow Subsidiary
Nielsen + Partner Unternehmensberater GmbH	Fellow Subsidiary
Nielsen + Partner Unternehmensberater AG	Fellow Subsidiary
Nielsen+Partner Pte. Ltd.	Fellow Subsidiary
Nielsen + Partner S.A.	Fellow Subsidiary
Nielsen&Partner Pty Ltd	Fellow Subsidiary
Nielsen&Partner Company Limited	Fellow Subsidiary

b Key Management Personnel:

Name	Status
Mr. Mathansingh Balasingh	Director
Mr. Ashok Kumar Sonthalia	Director
Mr. Kedar Krishna Gadgil	Director

c Managerial Remuneration

(₹ in 000)

Name	2019-20	2018-19
Mr. Mathansingh Balasingh		
a. Short Term Employee benefits	2,348	4,677
b. Contribution to funds	78	196
c. Other Long Term Benefits	69	-

d List of related parties with whom there were transactions during the year:

Name	Relationship
Larsen & Toubro Limited	Ultimate Holding Company
Larsen & Toubro Infotech Limited	Holding Company
Larsen & Toubro Infotech Limited-US Branch	Holding Company
Larsen & Toubro Infotech Limited-Singapore Branch	Holding Company
Syncordis SA, Luxembourg	Fellow Subsidiary
Syncordis Limited, UK	Fellow Subsidiary
Nielsen + Partner Pte Ltd - Singapore	Fellow Subsidiary
Nielsen + Partner Pty Ltd - Australia	Fellow Subsidiary

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

Details of transactions between the Company and other related parties are disclosed below.

(₹ in 000)

Particulars	Ultimate Holding Company	
	2019-20	2018-19
Reimbursement of Expenses (paid)		
a L & T Limited	23	-

Details of transactions between the Company and other related parties are disclosed below.

(₹ in 000)

Particulars	Holding Company	
	2019-20	2018-19
a. Rendering IT and Support services		
- India	509	1,487
- US Branch	1,245	-
- Singapore Branch	7,024	-
b. Purchase of Asset	-	6,247
c. Amount paid for purchase of Asset	1,000	-
d. Overheads Charged by	2	372

(₹ in 000)

Particulars	Fellow subsidiaries	
	2019-20	2018-19
Rendering IT and Support services		
a. Syncordis SA, Luxembourg	77,345	65,896
b. Syncordis Limited, UK	7,610	3,444
c. Nielsen + Partner Pte Ltd - Singapore	33	-
d. Nielsen + Partner Pty Ltd - Australia	1,835	-

e Amount due to and due from related parties(net):

(₹ in 000)

Particulars	Amounts due (to)/from	
	March 31, 2020	March 31, 2019
a. Larsen & Toubro Infotech Limited	(3,000)	(3,546)
b. Larsen & Toubro Infotech Limited-Singapore Branch	7,008	-
c. Larsen & Toubro Infotech Limited-US Branch	1,306	-
d. Syncordis SA, Luxembourg	3,986	6,477
e. Syncordis Limited, UK	642	1,079
f. Nielsen + Partner Pte Ltd - Singapore	34	-
g. Nielsen + Partner Pty Ltd - Australia	1,300	-

f Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

g No amount of due from related parties has been written off during the year (Previous year ` Nil). No amount due to related parties has been written back during the year (Previous year ` nil). For the year ended March 31, 2020, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2019 : ` Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****A7 Deferred Tax Asset/Liability**

Income Taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability after considering tax allowances and exemptions. The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax asset or deferred tax liability is recorded for the timing differences.

(₹ in 000)		
Particulars	As at 31-March- 2020	As at 31-March- 2019
a) WDV of Assets	(72)	(2)
b) Preliminary Expenses	-	12
c) Amortisation / Unwinding of Rental Advance	(42)	13
d) Provision for Leave Encashment	399	-
e) Provision for Bonus	453	-
f) Provision for expected credit loss	15	-
g) Ind AS 116 - leases	1,419	-
Net Deferred Tax Assets/ (Liabilities)	2,172	23

b) Deferred tax liabilities / assets as at 31 March 2020 (₹ in 000)

Particulars	Deferred Tax assets / (Liability) as at 31-03-2019	Current year (charge) / credit to profit & loss	(Charge) / credit to Retained Earnings	Deferred Tax assets / (Liability) as at 31-03-2020
a) WDV of Assets	(2)	(70)	-	(72)
b) Preliminary Expenses	12	(12)	-	-
c) Amortisation / Unwinding of Rental Advance	13	(55)	-	(42)
d) Provision for Leave Encashment	-	399	-	399
e) Provision for Bonus	-	453	-	453
f) Provision for expected credit loss	-	15	-	15
g) Ind AS 116 - leases	-	720	699	1,419
	23	1,450	699	2,172

c) Deferred tax liabilities / assets as at 31 March 2019 (₹ in 000)

Particulars	Deferred Tax assets / (Liability) as at 31-03-2018	Current year (charge) / credit to profit & loss	(Charge) / credit to Retained Earnings	Deferred Tax assets / (Liability) as at 31-03-2019
a) WDV of Assets	70	(71)	-	(2)
b) Preliminary Expenses	23	(11)	-	12
c) Amortisation / Unwinding of Rental Advance	-	13	-	13
	93	(69)	-	23

A8 Employee benefits**I) General descriptions of defined benefit plans:****i) Gratuity plan**

The Company makes contributions to the Company's employees' Company Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at retirement or death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

II) The amounts recognised in balance sheet are as follows:

(₹ in 000)

Gratuity plan	As at 31-March- 2020	As at 31-March- 2019
a) Present value of defined benefit obligation		
- Wholly funded	2,164	-
- Wholly unfunded	-	996
b) Fair value of plan assets as on	996	-
Amount to be recognised as liability or (asset) (a-b)	1,168	996
Net liability/(asset)-current	1,168	996
Net liability/(asset)- non current	-	-

III) The amounts recognised in statement of profit and loss are as follows:

(₹ in 000)

Gratuity plan	As at 31-March- 2020	As at 31-March- 2019
Current service cost	340	972
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	71	24
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	411	996

IV) The amounts recognised in statement of other comprehensive income (OCI) are as follows:

(₹ in 000)

Gratuity plan	As at 31-March- 2020	As at 31-March- 2019
Opening amount recognized in OCI	-	-
Re-measurements during the period due to:		
Changes in financial assumptions	164	-
Changes in demographic assumptions	(0)	-
Experience adjustments	594	-
Actual return on plan assets less interest on plan assets	-	-
Closing amount recognized in OCI	758	-

V) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in 000)

Gratuity plan	As at 31-March- 2020	As at 31-March- 2019
Opening balance of defined benefit obligation	996	
Current service cost	340	972
Past service cost	-	-
Interest on defined benefit obligation	71	24
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	164	-
Actuarial loss/(gain) arising from change in demographic assumptions	(0)	-
Actuarial loss/(gain) arising on account of experience changes	594	-
Benefits paid	-	-
Closing balance of defined benefit obligation	2,165	996

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

VI) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in 000)

Gratuity plan	As at 31-March- 2020	As at 31-March- 2019
Opening balance of the fair value of the plan assets	-	-
Employer's contributions	996	-
Expected return on plan assets	-	-
Administration expenses	-	-
Actuarial gains/(loss)	-	-
Re-measurements due to:	-	-
Actual return on plan assets less interest on plan assets	-	-
Contribution by plan participants	-	-
Benefits paid	-	-
Assets acquired/(settled)*	-	-
Assets distributed on settlements	-	-
Closing balance of plan assets	996	-

VII) Principal actuarial assumptions at the balance sheet date :

(₹ in 000)

Gratuity plan	As at 31-March- 2020	As at 31-March- 2019
Discount Rate (p.a)	6.40%	7.10%
Salary Escalation rate (p.a)	6.00%	6.00%

VIII) Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan (which in case of serving employees, if any, is based on service accrued by employee up to valuation date):

(₹ in 000)

Gratuity plan	As at 31-March- 2020	As at 31-March- 2019
Expected benefits for year 1	94	2
Expected benefits for year 2	136	102
Expected benefits for year 3	155	128
Expected benefits for year 4	179	135
Expected benefits for year 5	182	130
Expected benefits for year 6	244	120
Expected benefits for year 7	138	147
Expected benefits for year 8	127	95
Expected benefits for year 9	114	88
Expected benefits for year 10 and above	1,292	985

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

IX) Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption as below:

Gratuity plan	As at 31-March-2020		As at 31-March-2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on defined benefit obligation	-7.21%	8.14%	-7.41%	8.38%
Impact of decrease in 100 bps on defined benefit obligation	8.19%	-7.30%	8.38%	-7.55%

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

A9

A Leases

The company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019

Right of use asset of Rs. 4,83,69,303/- and lease liabilities of Rs. 4,94,35,666/- have been recognised as on 1st April 2019.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

Particulars	(₹ in 000)
Balance at 1 April, 2019	48,369
Depreciation	(6,309)
Balance at 31 March, 2020	42,060

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

Particulars	(₹ in 000)
Current lease liabilities	6,460
Non-current lease liabilities	39,529
Total	45,989

The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	(₹ in 000)
Balance at the beginning	49,436
Finance cost accrued during the period	4,125
Payment of lease liabilities	(7,572)
Balance at the end	45,989

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	(₹ in 000)
Less than one year	7,950
One to five years	36,572
More than five years	16,690
Total undiscounted lease liabilities at 31 March, 2020	61,212

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019:

Particulars	(₹ in 000)
Undiscounted Opening Lease Commitments as per Ind AS 17 as on 31st Mar, 2019	-
Impact of discounting of lease payments under Ind AS 116	(1,824)
Extension and termination options reasonably certain to be exercised	51,260
Opening Lease Liability as per Ind AS 116 as on 1st April, 2019	49,436

Impact of adoption of Ind AS 116 on the statement of profit and loss:

Particulars	(₹ in 000)
Interest on lease liabilities (Refer note)	4,125
Depreciation of Right-of-use assets (Refer note)	6,309
Deferred tax (credit) (Refer note)	(685)
Impact on the statement of profit and loss for the period	9,749

SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED
Notes accompanying the Financial Statements for the year ended March 31, 2020

A10 Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

(₹ in 000)

Particulars		2019-20	2018-19
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	8,472	6,531
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	450,000	450,000
Basic and diluted earnings per equity share (₹)	A / B	18.83	14.51
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	8,472	6,531
Add : Interest on convertibles (net of tax)	B	-	-
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	8,472	6,531
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	450,000	450,000
Add : Shares deemed to be issued for no consideration in respect of :	E	-	-
Compulsorily convertible preference share capital	F	-	-
Compulsorily convertible debentures	G	-	-
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	450,000	450,000
Diluted earnings per equity share (₹)		18.83	14.51
Face value per equity share (₹)		10.00	10.00

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

A11 Financial Instruments

Disclosure of Financial Instruments by Category

(₹ in 000)

Financial instruments by categories	Note no.	31.03.2020			31.03.2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Cash and cash equivalents	5	-	-	4,861	-	-	6,106
Loans	6	-	-	2,280	-	-	2,113
Trade receivables	4	-	-	16,877	-	-	9,321
Total Financial Asset		-	-	24,019	-	-	17,540
Financial liability							
Term loans from banks		-	-	-	-	-	-
Loans from related parties		-	-	-	-	-	-
Other Financial Liabilities		-	-	-	-	-	-
Total Financial Liabilities		-	-	-	-	-	-

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

A11 Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilities

Fair value hierarchy

As at March 31, 2020

(₹ in 000)

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans	6	-	-	2,280	2,280
Total of Financial Assets		-	-	2,280	2,280

Financial Liabilities

Term Loans from Banks		-	-	-	-
Loans from related parties		-	-	-	-
Total Financial liabilities		-	-	-	-

As at March 31, 2020

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
--------------------------------------------------------------	----------	---------	---------	---------	-------

Financial asset measured at FVTPL

		-	-	-	-
Total of Financial Assets		-	-	-	-

Financial Liabilities measured at FVTPL

		-	-	-	-
Total of Financial Liabilities		-	-	-	-

As at March 31, 2019

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
----------------------------------------------------------------------------------------------------	----------	---------	---------	---------	-------

Financial Assets

Loans	6	-	-	-	-
Total Financial Assets		-	-	-	-

Financial Liabilities

Term Loans from Banks		-	-	-	-
Loans from related parties		-	-	-	-
Total Financial Liabilities		-	-	-	-

As at April 1, 2019

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
--------------------------------------------------------------	----------	---------	---------	---------	-------

Financial asset measured at FVTPL

		-	-	-	-
Total of Financial Assets		-	-	-	-

Financial Liabilities measured at FVTPL

		-	-	-	-
Total of Financial Liabilities		-	-	-	-

Financial Risk Management

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other

i. Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company's revenues are principally in foreign currencies and the maximum exposure is in Euro. The Company does not enter into hedge transactions.

(₹ in 000)

Unhedged Currency Risk position : i) Amounts receivable in foreign currency Particulars	As at March 31, 2020				
	Euro	U.S Dollars	United Kingdom pound Sterling	Other Currencie s	Total
	3,986	8,314	642	1,333	14,275

Trade Receivables Particulars	As at March 31, 2020				
	Euro	U.S Dollars	United Kingdom pound Sterling	Other Currencie s	Total
Trade Receivables	7,788	-	1,079	-	8,867

ii. Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is not exposed to Interest rate risk as there are no borrowings.

iii. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company measures risk through sensitivity analysis.

The company's risk management policy is to mitigate the risk by investments in diversified funds.

iv. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

Liquidity exposure as at 31 March 2020

(₹ in 000)

Particulars	As at March 31, 2020			
	< 1 year	1-5 years	> 5 years	Total
Trade Payable	4,053	-	-	4,053
Total	4,053	-	-	4,053
Trade Receivable	16,877	-	-	16,877
Cash and cash equivalent	4,861	-	-	4,861
Loans	2,280	-	-	2,280
	24,019	-	-	21,739

Liquidity exposure as at 31 March 2019

Particulars	As at March 31, 2019			
	< 1 year	1-5 years	> 5 years	Total
Trade Payable	4,620	-	-	4,620
Total	4,620	-	-	4,620
Trade Receivable	9,321	-	-	9,321
Cash and cash equivalent	6,106	-	-	6,106
Loans	2,113	-	-	2,113
	17,540	-	-	15,427

v. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The principal credit risk that the Company exposed to is non-collection of trade receivable and late collection of receivable leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and post contracting, through continuous monitoring of collections by a dedicated team.

The Company makes adequate provision for non-collection of trade receivable and unbilled receivables. Further, the Company has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable from parties other than related parties, the Company has made provision for Expected Credit loss ('ECL') based on ageing analysis of its trade receivable. For trade receivables (other than related parties), these range from 1.5% for dues outstanding up to six months to 19.2% for dues outstanding for more than 36 months for 2019-20. (Previous year- No provision for Expected Credit Loss was provided in previous year as there was no transaction with parties other than related parties)

ECL allowance for non-collection and delay in collection of receivable, on a combined basis is ₹ 61071/- for the financial year 2019-20. The movement in allowance for doubtful debts comprising provision for both non-collection and delay in collections of receivable.

(₹ in 000)

	2019-20	2018-19
Opening balance	-	-
Impairment loss recognised or (reversed)	61	-
Closing balance	61	-

The percentage of revenue from its top five customers is 97.35% for 2019-20 (100% for 2018-19).

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****A12 SEGMENT REPORTING**

Since the company is engaged only in banking and financial services Ind AS 108 is not applicable

There are no non-current assets held outside India.

Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

(₹ in 000)

Geography	2019-20	2018-19
India	7,361	1,487
Luxembourg	77,345	65,896
United Kingdom	7,610	3,444
Singapore	7,057	-
Australia	1,835	-
United States	1,245	-
Total	102,453	70,827

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SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

A13 Disclosure pursuant to Ind AS 12 - "Income taxes"

The major components of income tax expense for years ended 31 March 2020 and 31 March 2019 are :

(₹ in 000)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Current income Tax :		
Current income tax charge	3,341	2,834
Adjustments of current tax of previous year	797	-
Deferred Tax		
Relating to origination and reversal of temporary differences	(1,451)	69
Relating to rate change or imposition of new taxes	-	-
Arising due to a write down of a deferred tax asset	-	-
Income tax reported in the statement of profit and loss	2,687	2,903
Current Tax and Deferred Tax - Equity (Mention details of items directly charged to equity)	699	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

(₹ in 000)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Accounting profit before tax	11,159	9,434
Applicable tax rate	25.17%	26.00%
Profit before tax * Applicable tax rate	2,808	2,453
Effect of Deferred Taxes	(1,451)	69
Short & (Excess) Provision adjusted	797	335
Difference in tax for items which are not allowed as a deduction	532	47
Income tax expense reported in the statement of profit and loss	2,688	2,904

A14 Events occurring after the reporting period

The financial statements were approved by the Board of Directors on May 08, 2020 and there are no significant events occurring after Balance sheet date.

A15 Investor Education and Protection Fund

The Company is not required to transfer any amount to Investor Education and Protection Fund.

A16 Previous year's figures have been regrouped/reclassified wherever applicable to facilitate comparability.

A17 The financial statements were approved by the Board of Directors on May 08, 2020.

As per our report attached
PSDY & Associates
Chartered Accountants
Firm's Registration No.:010625S

For and on behalf of the Board

Yashvant G
Partner
Membership No.: 209865

Ashok Kumar Sonthalia
Director
DIN : 03259683

Kedar Krishna Gadgil
Director
DIN : 07224639

Place: Chennai
Date: May 08, 2020

Place: Mumbai
Date: May 08, 2020

SYNCORDIS S.A.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

SYNCORDIS

Registered office : 105, Route d'Arlon L - 8009 Strassen
R.C.S. Luxembourg B 105.331

MANAGEMENT REPORT ON 31st DECEMBER 2019

Dear Sole Shareholder,

We have the honor to present to you, our report, and the annual accounts, for the year ended on 31st December 2019, for approval.

Evolution of business and the company's position

The balance sheet total for the year ended on 31st December 2019 is EUR 9,528,567.01

We have ended the current financial year with a loss of EUR 131,851.62

We recommend to allocate the loss of the financial year of EUR 131,851.62 to profit or loss brought forwards.

We beg you to grant full discharge to the Administrators, Directors and the Auditor for the execution of their mandate until 31st December 2019.

Significant events after the balance sheet closure

Since 16th of March 2020, the impact of COVID-19 on SYNCORDIS SA and SYNCORDIS PSF SA, is accurately monitored by Syncordis Management.

Single Points of Contacts (SPOCS) have been named across all Syncordis Group for all regions (EMEA, Northern Europe, APAC and North America) and 21 managers participate to the calls (daily the first month and then three times a week).

During the first week, our staff gradually moved from a 'Working On Site' to a 'Working From Home' situation. It took a few days for some of our clients to put in place their BCP allowing our staff to connect and work remotely.

Since the 18th of March 2020, only a few people (one IT and one Back Office) are working from the office to ensure minimum needed support.

A call at C-level is taking place on a weekly basis (every Friday) to follow the Cashflow at Group level and we have built different scenarios based on Client's payment delays from 20% to 50%.

In parallel we have evaluated the Government measures provided in Luxembourg and in the Group and checked potential support from our parent company, LTI :

- We have put a number of employees under "Partial Unemployment" (we have called it "Job Preservation Measure" internally)
- We have requested our bank ING Luxembourg for further loan, should the situation need it (under discussion with the bank)
- We have decided not to apply to the 500.000€ "Repayable financial aid to compensate for temporary financial difficulties caused by the COVID-19 crisis"
- When allowed by the Government and with the aim to protect our cashflow, we will delay VAT and CCSS payments

Partial unemployment – MARCH

In March, we have claimed the following amounts to ADEM :

Partial unemployment : 51 901.88 € (corresponding to 283.5 days, 35 people impacted, not full time)

The main reasons for unemployment are as follows :

- A few clients didn't allow remote access during the very first days
- One client has provided less remote access than usually
- Some clients have reduced their requests workload
- A training could not take place to train junior consultants, putting them on bench/unemployment
- A few projects didn't start as planned

SYNCORDIS
R.C.S. Luxembourg : B 105.331
31st December 2019

Partial unemployment – APRIL

The forecast for unemployment in April is as follows:

535 days, 36 people partly impacted, 23% of the total available workforce

Child Sick Leave – MARCH

In March, our staff has taken 82 days on “COVID-19 Child Sick Leave”

As a conclusion :

- The current situation has an impact on our revenues, limited in March and up to potentially 20% in April
- There has been no hard-stop of projects
- A few projects didn't start and are delayed
- The Sales team is continuing answering to RFP and we expect these Client's decisions to be delayed further
- With the current end of lockdown planned in May (France, Luxembourg, UK) we remain positive and don't foresee any critical issue; still we need to properly manage our cashflow and be careful with our costs

Financial accounts as at 31/12/19 have been prepared based on the accounting principle of continuity

Foreseeable development of the company

The company will continue its activities focused on the realization of investments, management and development based on the opportunities that will be identified and agreed by the Board of Administrators.

Activities in research and development

None.

Acquisition of own shares

On 31st December 2018, the company does not hold own shares in portfolio and does not acquired during the financial year closes on 31st December 2019.

Existence of branches

On 10 January 2020, the company has established a branch in Tunisia to develop its activities in the North Africa.

SYNCORDIS
R.C.S. Luxembourg : B 105.331
31st December 2019

Proposal for loss appropriation

The accounts presented show a loss of 131,851.62 :

Incomes amounted to	18 993 041,68 EUR
and charges to	19 124 893,30 EUR
Loss of the exercise as at 31 st December 2019	131 851,62 EUR

We recommend to bring forward the Loss of the year to the next year :

In accordance with the proposal Board of Administrators, the allocation of available results is as follows:

	Legal reserve	Others reserves	Results brought forward	Loss of the financial year
As at 31/12/2019	3 480,00	228 697,50	2 193 700,38	-131 851,62
Reverse on reserve brought forward	0,00	-647,50	647,50	0,00
Allocation of the 2019 result	0,00	0,00	-131 851,62	131 851,62
After allocation	3 480,00	228 050,00	2 062 496,26	0,00

Done in Strassen, the 14th April 2020

Mr Sudhir CHATURVEDI
Administrator

Mr Ashok SONTHALIA
Administrator

Mr Guillaume DESJONQUERES
Administrator

Mr Luc GESQUIERE
Administrator

Mr Satyakanta Samal
Administrator

REPORT OF THE REVISEUR D'ENTREPRISES AGREE (Audit Report)

To the Shareholders of

SYNCORDIS S.A.
105, routed'Arion
L-8009 STRASSEN

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SYNCORDIS S.A. (the "Company"), which comprise the balance sheet as at 31st of December 2019, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st of December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "Reviseur d'Entreprises Agree" for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters related to going concern

We draw the attention to Note 20 within the financial statements which indicates the effects that the Covid-19 outbreak may cause on the Company's activities and which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of the "Reviseur d'Entreprises Agree" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Reviseur d'Entreprises Agree" for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Reviseur d'Entreprises Agree" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Reviser d'Entreprises Agree" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Reviser d'Entreprises Agree". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable requirements.

Luxembourg, the 29th of April 2020

ACF Audit Luxembourg S.A.
Represented by Stephan Moreaux

No RC: B105331

Matricule: 2004 2227 391

SYNCORDIS S.A.

EUR

ASSETS as at 31/12/2019

ASSETS	31/12/2019	31/12/2018
A Subscribed capital unpaid	0.00	0.00
I Subscribed capital not called		
II Subscribed capital called but unpaid		
B Formation expenses		
C Fixed assets	2 102 426.35	329 955.82
I Intangible assets	1 404 408.14	19 458.08
1 Costs of development		
2 Concessions, patents, licences, trade marks and similar rights and assets, if they were		
a) acquired for valuable consideration and need not be shown under C.I.3	12 208.08	18 558.08
b) created by the undertaking itself	1 392 200.06	900.00
3 Goodwill, to the extent that it was acquired for valuable consideration		
4 Payments on account and intangible assets under development		
II Tangible assets	168 687.23	151 166.76
1 Land and buildings		
2 Plant and machinery	0.00	0.00
3 Other fixtures and fittings, tools and equipment	168 687.23	151 166.76
4 Payments on account and tangible assets in the course of construction		
III Financial assets	529 330.98	159 330.98
1 Shares in affiliated undertakings	501 922.98	131 922.98
2 Loans to affiliated undertakings		
3 Participating interests		
4 Loans to undertakings with which the undertaking is linked by virtue of participating inte		
5 Investments held as fixed assets		
6 Other loans	27 408.00	27 408.00
D Current assets	7 307 711.59	6 430 172.08
I Stocks	0.00	0.00
1 Raw materials and consumables		
2 Work in progress		
3 Finished goods and goods for resale		
4 Payments on account		
II Debtors	6 527 100.16	4 700 374.17
1 Trade debtors		
a) becoming due and payable within one year	2 883 876.88	1 814 988.71
b) becoming due and payable after more than one year	0.00	0.00
2 Amounts owed by affiliated undertakings		
a) becoming due and payable within one year	3 117 552.66	2 231 051.44
b) becoming due and payable after more than one year	0.00	0.00
3 Amounts owed by undertakings with which the undertaking is linked by virtue of participati		
a) becoming due and payable within one year	0.00	0.00
b) becoming due and payable after more than one year		
4 Other debtors		
a) becoming due and payable within one year	525 670.62	654 334.02
b) becoming due and payable after more than one year	0.00	0.00
III Investments	0.00	0.00
1 Shares in affiliated undertakings		
2 Own shares	0.00	0.00
3 Other investments		
IV Cash at bank and in hand	780 611.43	1 729 797.91
E Prepayments	118 429.07	21 166.47
TOTAL ASSETS	9 528 567.01	6 781 294.37

SYNCORDIS S.A.

Detail for ASSETS

EUR

ASSETS		31/12/2019	31/12/2018
C/II/2(a)	Fixed assets		
	Intangible assets		
	Concessions, patents, licences, trade marks and similar rights and assets, if they were acquired for valuable consideration and need not be shown under C.I.3	12 208.08	18 558.08
	212130000 IT licences (software and software packages)	23 750.00	23 750.00
	212130009 IT licences (software and software packages)	-11 541.92	-5 191.92
C/II/2(b)	created by the undertaking itself	1 392 200.06	900.00
	212230100 Software and software package - created by the undertaking itself (Produced inta	1 511 300.07	0.00
	212230109 Software and software package - created by the undertaking itself (Produced inta	-120 000.01	0.00
	212241000 Brand "Syncordis"	900.00	900.00
C/II/3	Tangible assets		
	Other fixtures and fittings, tools and equipment	168 687.23	151 166.76
	223400000 Furnitures and computer hardware	493 863.32	340 151.13
	223400009 Furniture - value adjustment	-328 575.75	-198 435.94
	223800000 Other facilities	29 269.61	29 269.61
	223800009 Other facilities - value adjustment	-25 869.95	-19 818.04
C/III/1	Financial assets		
	Shares in affiliated undertakings	501 922.98	131 922.98
	231000000 Shares in affiliated undertakings - Syncordis France S.à r.l.	100 623.60	100 623.60
	231300000 Shares in affiliated undertakings - Syncordis Ltd (UK)	1 299.38	1 299.38
	231400000 Shares in affiliated undertakings - SYNCORDIS PSF S.A.	400 000.00	30 000.00
C/III/6	Other loans	27 408.00	27 408.00
	236220000 Guarantees	27 408.00	27 408.00
D/II/1(a)	Current assets		
	Debtors		
	Trade debtors		
	becoming due and payable within one year	2 883 876.88	1 814 988.71
	401100000 Trade debtors	2 203 013.76	1 617 117.23
	401300000 Doubtful or disputed trade debotrs	106 572.00	83 538.00
	401400000 Trade debtors - sales invoice accruals	665 378.30	161 187.40
	401900000 Value adjustments on Trade debtors	-91 087.18	-71 400.00
	441131000 Trade creditors - Advance payments on orders	0.00	24 546.08
D/II/2(a)	Amounts owed by affiliated undertakings		
	becoming due and payable within one year	3 117 552.66	2 231 051.44
	411110000 Sales of goods and services to affiliated undertakings	0.00	701 813.75
	411111000 Sales of goods and services to affiliated undertakings	131 433.49	0.00
	411120000 Loans and advances	4 050.00	0.00
	411122000 Advances Syncordis Ltd (UK)	2 259 225.48	485 156.24
	411123000 Advances SYNCORDIS PSF S.A.	132 005.91	131 535.89
	411124000 Advances Syncordis France S.à r.l.	590 837.78	912 545.56
D/II/4(a)	Other debtors		
	becoming due and payable within one year	525 670.62	654 334.02
	421110000 Staff - Advances and deposits	32 805.76	18 860.39
	421410018 Advances IRC 2018	0.00	435 600.00
	421410019 Advances IRC 2019	326 700.00	0.00
	421420018 Advances ICC 2018	0.00	165 464.00
	421420019 Advances ICC 2019	124 098.00	0.00

SYNCORDIS S.A.

EUR

Detail for ASSETS

ASSETS		31/12/2019	31/12/2018
421720000	Advances to Employer social insurance fund (Mutualité des employeurs)	26 079.20	34 365.87
421781000	Other subsidies to promote employment - ADEM - CIE	15 987.66	0.00
421811000	Foreign VAT	0.00	43.76
D/IV	Cash at bank and in hand	780 611.43	1 729 797.91
513101000	BCEE LU24 0019 2355 2609 5000	32 934.60	21 474.60
513101400	ING LU38 0141 1397 0710 3030 (GBP)	1 700.71	8 546.91
513103000	ING LU64 0141 9397 0710 000	733 428.92	1 687 227.67
513109000	VISA LU66 0141 0397 0711 0000	11.67	0.00
513204000	ING LU95 0142 2397 0711 0000	8 404.85	8 414.55
513210000	BCEE LU53 0019 6312 7193 5000 (Cloturé)	4 130.68	4 134.18
E/	Prepayments	118 429.07	21 166.47
481000000	Deferred charges	118 429.07	21 166.47

No RC: B105331

Matricule: 2004 2227 391

SYNCORDIS S.A.**CAPITAL, RESERVES AND LIABILITIES as at 31/12/2019**

EUR

CAPITAL, RESERVES AND LIABILITIES	31/12/2019	31/12/2018
A Capital and reserves	2 418 649.86	2 550 501.48
I Subscribed capital	34 800.00	34 800.00
II Share premium account	89 823.60	89 823.60
III Revaluation reserve		
IV Reserves	232 177.50	196 177.50
1 Legal reserve	3 480.00	3 480.00
2 Reserve for own shares	0.00	0.00
3 Reserves provided for by the articles of association		
4 Other reserves, including the fair value reserve		
a) other available reserves		
b) other non available reserves	228 697.50	192 697.50
V Profit or loss brought forward	2 193 700.38	1 252 728.85
VI Profit or loss for the financial year	-131 851.62	976 971.53
VII Interim dividends	0.00	0.00
VIIICapital investment subsidies		
B Provisions	2 134 198.70	1 803 252.53
1 Provisions for pensions and similar obligations		
2 Provisions for taxation	0.00	0.00
3 Other provisions	2 134 198.70	1 803 252.53
C Creditors	4 852 136.44	2 381 465.37
1 Debenture loans		
a) Convertible loans		
i) becoming due and payable within one year		
ii) becoming due and payable after more than one year		
b) Non convertible loans		
i) becoming due and payable within one year		
ii) becoming due and payable after more than one year		
2 Amounts owed to credit institutions		
a) becoming due and payable within one year	1 942 980.88	33 399.11
b) becoming due and payable after more than one year		
3 Payments received on account of orders in so far as they are shown separately as deduction		
a) becoming due and payable within one year		
b) becoming due and payable after more than one year		
4 Trade creditors		
a) becoming due and payable within one year	503 087.86	139 412.78
b) becoming due and payable after more than one year	0.00	0.00
5 Bills of exchange payable		
a) becoming due and payable within one year		
b) becoming due and payable after more than one year		
6 Amounts owed to affiliated undertakings		
a) becoming due and payable within one year	1 766 687.81	917 293.05
b) becoming due and payable after more than one year	0.00	0.00
7 Amounts owed to undertakings with which the undertaking is linked by virtue of participati		
a) becoming due and payable within one year	0.00	0.00
b) becoming due and payable after more than one year		
8 Other creditors		
a) Tax authorities	391 142.10	1 100 377.56
b) Social security authorities	233 911.51	186 090.63
c) Other creditors		
i) becoming due and payable within one year	14 326.28	4 892.24
ii) becoming due and payable after more than one year	0.00	0.00
D Deferred income	123 582.01	46 074.99

TOTAL CAPITAL, RESERVES AND LIABILITIES

230

9 528 567.01**6 781 294.37**

SYNCORDIS S.A.

Detail for CAPITAL, RESERVES AND LIABILITIES

EUR

CAPITAL, RESERVES AND LIABILITIES		31/12/2019	31/12/2018
A/I	Capital and reserves		
	Subscribed capital	34 800.00	34 800.00
	101000000 Subscribed capital (Corporations - Total amount)	34 800.00	34 800.00
A/II	Share premium account	89 823.60	89 823.60
	111000000 Share premiums	89 823.60	89 823.60
A/IV/1	Reserves		
	Legal reserve	3 480.00	3 480.00
	131000000 Legal reserve	3 480.00	3 480.00
A/IV/4/b)	Other reserves, including the fair value reserve other non available reserves	228 697.50	192 697.50
	138100000 Wealth Tax (IF) reserve	228 697.50	192 697.50
A/V	Profit or loss brought forward	2 193 700.38	1 252 728.85
	141000000 Profit or loss brought forward	2 193 700.38	1 252 728.85
A/VI	Profit or loss for the financial year	-131 851.62	976 971.53
	142000000 Profit or loss for the financial year	-131 851.62	976 971.53
B//3	Provisions		
	Other provisions	2 134 198.70	1 803 252.53
	188110000 Holidays provisions	185 198.70	153 252.53
	188120000 Employees' Bonuses provision	1 949 000.00	1 650 000.00
C//2/a)	Creditors		
	Amounts owed to credit institutions becoming due and payable within one year	1 942 980.88	33 399.11
	194110100 HSBC LU09 3740 1010 1481 9030	1 930 477.19	0.00
	513101100 VISA LU39 0141 7397 0718 0000	464.80	4 989.48
	513101200 Visa LU49 0141 8397 0719 0000	1 631.97	1 972.57
	513101300 VISA LU32 0141 6397 0711 0000	503.98	730.18
	513101500 VISA LU 57 0141 7397 0711 1000	1 623.33	5 843.33
	513101600 VISA LU82 0141 8397 0711 2000	719.80	2 823.32
	513101700 VISA Denis MULLER LU10 0141 9397 0711 3000	105.74	0.00
	513101800 VISA François-X. MARTIN LU27 0141 0397 0711 4000	4 729.16	0.00
	513107000 VISA LU76 0141 1397 0712 0000	2 724.91	9 511.06
	513109000 VISA LU66 0141 0397 0711 0000	0.00	7 529.17
C//4/a)	Trade creditors		
	becoming due and payable within one year	503 087.86	139 412.78
	401500000 Trade debtors accounts in credit	136 720.25	0.00
	441110000 Trade creditors	364 635.61	33 150.33
	441120000 Trade payable - purchase invoice accruals	1 732.00	106 262.45
C//6/a)	Amounts owed to affiliated undertakings		
	becoming due and payable within one year	1 766 687.81	917 293.05
	451110000 Sales of goods and services to affiliated undertakings	0.00	317 293.05
	451111000 Sales of goods and services to affiliated undertakings	1 316 687.81	0.00
	451121000 Loan Larsen and Turbo Infotech GmbH	0.00	600 000.00
	451122000 Loan Nielsen + Partner GmbH (Germany)	450 000.00	0.00

SYNCORDIS S.A.

Detail for CAPITAL, RESERVES AND LIABILITIES

EUR

CAPITAL, RESERVES AND LIABILITIES		31/12/2019	31/12/2018
C//8/a)	Other creditors		
	Tax authorities	391 142.10	1 100 377.56
	461211018 Corporate Income Tax (IRC) 2018 - provision	0.00	225 041.05
	461221018 Municipal Income Tax (ICC) 2018 - provision	0.00	95 910.00
	461240000 Withholding tax on salaries and wages	128 753.68	105 614.17
	461412000 VAT payable	262 388.42	673 812.34
C//8/b)	Social security authorities	233 911.51	186 090.63
	462100000 Social security	233 911.51	186 090.63
C//8/c/i)	Other creditors		
	becoming due and payable within one year	14 326.28	4 892.24
	471410000 Staff - Salaries due	5 005.78	0.00
	471810000 Other charges to be paid	0.00	4 892.24
	471812000 Employees' expenses to be paid	9 320.50	0.00
D/	Deferred income	123 582.01	46 074.99
	482000000 Deferred income	123 582.01	46 074.99

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SYNCORDIS S.A.**PROFIT AND LOSS ACCOUNT**

EUR

PROFIT AND LOSS ACCOUNT	31/12/2019	31/12/2018
1 Net turnover	15 698 255.89	13 545 124.02
2 Variation in stocks of finished goods and in work in progress		
3 Work performed by the undertaking for its own purposes and capitalised	1 511 300.07	0.00
4 Other operating income	1 739 274.25	1 755 267.66
5 Raw materials and consumables and other external expenses		
a) Raw materials and consumables	-57 861.50	-59 092.55
b) Other external expenses	-5 978 397.33	-2 981 020.49
6 Staff costs		
a) Wages and salaries	-9 837 186.21	-7 902 309.54
b) Social security costs		
i) relating to pensions		
ii) other social security costs	-1 067 044.47	-838 171.15
c) Other staff costs	-44.70	0.00
7 Value adjustments		
a) in respect of formation expenses and of tangible and intangible fixed asset	-262 897.40	-109 721.57
b) in respect of current assets	-19 687.18	0.00
8 Other operating expenses	-1 881 175.22	-2 127 775.08
9 Income from participating interests		
a) derived from affiliated undertakings	0.00	0.00
b) other income from participating interests		
10 Income from other investments and loans forming part of the fixed assets		
a) derived from affiliated undertakings		
b) other income not included under a)		
11 Other interest receivable and similar income		
a) derived from affiliated undertakings	34 823.15	13 886.06
b) other interest and similar income	7 488.32	451.92
12 Share of profit or loss of undertakings accounted for under the equity method		
13 Value adjustments in respect of financial assets and of investments held as current assets	0.00	0.00
14 Interest payable and similar expenses		
a) concerning affiliated undertakings	0.00	0.00
b) other interest and similar expenses	-20 599.29	-295.61
15 Tax on profit or loss	1 900.00	-319 372.14
16 Profit or loss after taxation	-131 851.62	976 971.53
17 Other taxes not shown under items 1 to 16	0.00	0.00
18 Profit or loss for the financial year	-131 851.62	976 971.53

SYNCORDIS S.A.

EUR

Detail for PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT		31/12/2019	31/12/2018
//1	Net turnover	15 698 255.89	13 545 124.02
	706000000 Services	14 949 410.77	13 184 079.11
	706001000 Services - Credit note to be issued	-136 720.25	0.00
	706010000 Services to Syncordis France SARL	231 743.07	0.00
	706020000 Services to Syncordis PSF S.A.	141 165.65	0.00
	706030000 Services to Syncordis Ltd (UK)	64 427.29	0.00
	706040000 Services to Nielsen & Partner (DE)	21 545.47	0.00
	706100000 Trade debtors - sales invoice accruals	665 378.30	161 187.40
	706111000 Trade debtors - sales invoice deferred	-141 482.01	-46 074.99
	706112000 Resumption on differed sales income	63 975.00	245 932.50
	706200000 Resumption on sales invoice accruals	-161 187.40	0.00
//3	Work performed by the undertaking for its own purposes and capitalised	1 511 300.07	0.00
	721230100 Software and software package - created by the undertaking itself (Produced inta	1 063 627.47	0.00
	721230200 Software and software package - created by the undertaking itself (Produced inta	447 672.60	0.00
//4	Other operating income	1 739 274.25	1 755 267.66
	744421000 Other subsidies to promote employment - ADEM - CIE	44 903.20	0.00
	748000000 Other sundry operating income	432 693.01	432 135.33
	748200000 Other operating income	16 431.62	0.00
	749000000 Reversals of operating provisions	0.00	6 000.00
	749100000 Resumption on Holidays provisions	0.00	255 197.79
	749200000 Resumption on employees' bonuses	1 215 000.00	990 000.00
	763200000 Tangible assets	29 162.16	71 934.54
	768800000 Other sundry extraordinary income	1 084.26	0.00
//5(a)	Raw materials and consumables and other external expenses		
	Raw materials and consumables	-57 861.50	-59 092.55
	608130000 Administrative supplies	-30 579.07	-25 101.67
	608140000 Petrol	-27 282.43	-33 990.88
//5(b)	Other external expenses	-5 978 397.33	-2 981 020.49
	611121200 Location appartement 19, Rue des Champs L-7480 TUNTANGE	-16 930.71	-16 669.29
	611121210 Charges appartement 19, Rue des Champs L-7480 TUNTANGE	-5 588.81	-6 267.35
	611121400 Rent 5, Rue des Primeurs L-2361 Luxembourg	-32 377.56	0.00
	611121410 Charges 5, Rue des Primeurs L-2361 Luxembourg	-7 531.30	0.00
	611121420 Parking int. 5, Rue des Primeurs L-2361 Luxembourg	-6 660.00	0.00
	611121430 Parking ext. 5, Rue des Primeurs L-2361 Luxembourg	-1 350.00	0.00
	611124000 Regus access	-5 296.00	0.00
	611126000 Rent for 105, Route d'Arlon L-8009 Strassen	-171 733.74	-137 029.55
	611126100 Rental charges for offices 105, Route d'Arlon L-8009 Strassen	-26 100.42	-19 449.35
	611126300 Parking 105, Rte d'Arlon L-8009 Strassen	-4 290.00	-2 640.00
	611127000 Rent for Résidence Bertrange	-55 747.58	-56 147.61
	611128000 Rent for Bd Charles Simonis (Jung)	-20 400.00	-20 400.00
	611128100 Rental charges Bd Charles Simonis (Jung)	-2 160.00	-2 607.74
	611230000 Movable equipment	-5 474.77	0.00
	611532200 Leasing BH 7467	0.00	-3 168.77
	611532600 Leasing NA4836	159.50	-5 311.75
	611532700 Leasing UB4151	0.00	-1 932.44
	611532800 Leasing SJ5308	-7 007.48	-11 985.84
	611532900 Leasing TJ4994	0.00	-7 402.74
	611533000 Leasing CM7014	-16 161.33	-15 484.68
	611533100 Leasing BN5458	-6 875.15	-7 566.60
	611533200 Leasing DN7149	-7 135.01	-9 000.00

SYNCORDIS S.A.

Detail for PROFIT AND LOSS ACCOUNT

EUR

PROFIT AND LOSS ACCOUNT		31/12/2019	31/12/2018
611533400	Leasing BX 8025	-5 810.70	-10 050.84
611533600	Leasing UU 9178	-7 650.72	-7 650.72
611533700	Leasing AY4000	-9 200.76	-9 187.08
611533800	Leasing RU6444	-5 405.40	-10 932.24
611534000	Leasing UV8700	-23 189.28	-21 256.84
611534200	Leasing PU7238	-7 850.04	-7 850.04
611534300	Leasing JT 6028	-8 743.68	-8 743.68
611534400	Leasing TN8604	-9 339.36	-9 339.36
611534500	Leasing VN4769	-5 354.32	-5 344.31
611534600	Leasing WM5202	-19 020.20	-10 793.88
611534700	Leasing SK4896	-8 999.88	-8 999.88
611534800	Leasing LJ4194	-10 619.88	-10 277.31
611534900	Leasing VB 9655	0.00	-8 872.21
611535000	Leasing LJ4796	-7 800.00	-6 708.90
611535100	Leasing FE8796	-9 240.01	-5 030.70
611535200	Leasing JC4355	-10 670.09	-2 847.45
611536000	Leasing UC8043	-7 559.92	-4 755.49
611537000	Leasing HT7742	-19 736.69	-11 754.36
611538000	Leasing ZK6512	-8 204.10	0.00
611538001	Leasing GN5690	-3 031.00	0.00
611538002	Leasing CQ8545	-4 911.37	0.00
611538003	Leasing DQ9538	-3 898.14	0.00
611538004	Leasing ZB7368	-3 988.72	0.00
611538005	Leasing RK5985	-2 181.04	0.00
611538006	Leasing SH4654	-1 018.93	0.00
611538007	ZV6571	-1 468.28	0.00
611538009	Leasing FN6168	-1 428.00	0.00
612100000	General subcontracting	-945 292.47	-772 821.59
612110000	General subcontracting - Trade payable - purchase invoice accruals	93 928.00	-86 660.00
612120000	General subcontracting - Syncordis India Private Limited	-996 174.00	-757 074.00
612130000	General subcontracting - Syncordis Limited (UK)	-73 745.21	-31 923.59
612140000	General subcontracting - Syncordis PSF S.A.	-1 345 697.97	-131 938.00
612141000	General subcontracting - Syncordis PSF S.A. - Credit Note to be issued	11 475.00	0.00
612150000	General subcontracting - Syncordis France S.à r.l.	-147 642.56	-19 049.00
612170000	General subcontracting - Larsen and Tourbo Infotech Limited (UK)	-90 195.84	0.00
612171000	General subcontracting - Larsen and Tourbo Infotech Limited (France)	-1 684.51	0.00
612172000	General subcontracting - Larsen and Tourbo Infotech Limited (India)	-3 647.19	0.00
612180000	General subcontracting - Nielsen + Partner S.A. (Luxembourg)	-511 593.43	0.00
612190000	General subcontracting - Nielsen + Partner GmbH (Hamburg)	-123 778.54	0.00
612190001	General subcontracting - Nielsen + Partner Pte Ltd (Singapore)	-15 557.14	0.00
612190002	General subcontracting - Nielsen + Partner Pte Ltd (Switzerland)	-15 492.86	0.00
612210000	Maintenance and repairs of plant and machinery	-399.30	-204.40
612230000	Maintenance and repairs of movable equipment	-5 428.62	-5 242.52
612231000	Tires and accessories	-1 604.43	-1 143.49
612232000	Technical control on vehicels	-97.05	0.00
612310000	Maintenance and cleaning - 105, Route d'Arlon L-8009 STRASSEN	-14 312.41	-6 614.05
612311000	Maintenance and cleaning - 5, Rue des Primeurs L-2361 Luxembourg	-1 874.14	0.00
613200000	Data processing	-1 967.00	0.00
613330000	Account costs	-8 986.27	-4 373.47
613340000	Credit card costs	-77.61	0.00
613380000	Other costs and bank charges	-95.00	-6.80
613410000	Legal fees	-88 085.01	-29 507.84
613420000	Accounting and audit fees	-61 963.74	-56 421.00
613421000	Audit fees - purchase invoice accruals	-4 500.00	-4 500.00
613481000	Management fees - Vectis	0.00	-5 600.00

SYNCORDIS S.A.

Detail for PROFIT AND LOSS ACCOUNT

EUR

PROFIT AND LOSS ACCOUNT		31/12/2019	31/12/2018
613600000	Staff recruitment costs	-232 359.85	-59 242.52
613610000	Visa and relocation expenses	-47 685.77	-17 052.02
613800000	Other remuneration and fees of intermediaries	-1 234.00	-7 258.65
614120000	Insurance for Vehicles	0.00	-676.86
614210000	Fire and exploitation insurance	-9 771.39	-147.27
614600000	Civil liability insurance	-9 847.49	-10 972.01
615120000	Samples	0.00	-910.02
615140000	Gifts to customers	-14 265.98	-9 590.30
615160000	Standard donations	-1 200.00	-2 300.00
615170000	Sponsoring	-3 234.95	0.00
615180000	Other purchases of advertising services	-26 466.37	-6 160.77
615181000	Temenos partnership contract	-29 007.66	0.00
615212000	Travel expenses	-282 501.18	-252 608.42
615212100	Parking	-9 782.02	-8 256.00
615240000	Receptions and entertainment	-31 984.99	-20 716.03
615310000	Stamps	-491.03	-304.00
615320000	Telephone and other telecommunication costs	-60 210.34	-37 508.76
615380000	Other postal costs (postal box rental, etc.)	0.00	-286.45
616100000	Transports on purchases	-79.21	-879.20
616400000	Administrative transport	0.00	-169.24
618200000	Conferences and seminars costs	-109 499.12	-46 096.25
618210000	Seminars and courses	-112 908.90	-81 604.33
618220000	Staff and team building events	-31 949.50	-18 061.32
618700000	Contributions to professional associations	-4 447.41	-3 681.32
//6(a)	Staff costs		
	Wages and salaries	-9 837 186.21	-7 902 309.54
621110000	Basic salaries	-8 597 260.32	-6 727 738.73
621121000	Sunday	-2 124.52	-10 678.91
621122000	Public holidays	-2 643.25	-5 602.36
621123000	Overtime	-28 982.91	-32 987.09
621140000	Gratuities, bonuses and commissions	-443 726.43	-457 717.00
621150000	Benefits in kind vehicles	-118 691.68	-142 009.34
621151000	Meal vouchers	-248 883.51	-187 172.69
621155000	Participation leasing voitures	188.86	0.00
621800000	Warrants purchase	-529 863.00	-459 836.00
621910000	Reimbursements for employer social insurance fund	134 800.55	121 432.58
//6(b)/ii)	Social security costs		
	other social security costs	-1 067 044.47	-838 171.15
623110000	Employer's social costs	-1 067 044.47	-838 171.15
//6(c)	Other staff costs	-44.70	0.00
628800000	Other sundry social security costs	-44.70	0.00
//7(a)	Value adjustments		
	in respect of formation expenses and of tangible and intangible fixed assets	-262 897.40	-109 721.57
632100000	Costs of research and development - value adjustment	-120 000.01	0.00
632230000	Licences informatiques (logiciels et progiciels informatiques) - value adjustment	-6 350.00	-5 191.92
633303000	Furniture - value adjustment	-130 495.48	-98 477.73
633304000	Other facilities - value adjustment	-6 051.91	-6 051.92
//7(b)	in respect of current assets	-19 687.18	0.00
635100000	Trade debtors	-19 687.18	0.00

SYNCORDIS S.A.

EUR

Detail for PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT		31/12/2019	31/12/2018
//8	Other operating expenses	-1 881 175.22	-2 127 775.08
	641300000 IT Licences (software and software packages)	-71 460.80	-106 535.95
	641310000 IT Licences - prepaid expenses	-17 535.00	17 535.00
	641320000 Passthrough licenses	-181 926.00	0.00
	646200000 VAT non-deductible	-20 177.58	-24 141.59
	649100000 Holidays provisions	-31 946.17	-291 987.47
	649200000 Employees' Bonuses provision	-1 514 000.00	-1 650 000.00
	663200000 Tangible assets	-29 162.16	-71 934.47
	668230000 Fines and interest towards social security administration	0.00	-150.00
	668240000 Intérêts de retard impôts sur salaires	0.00	-560.60
	668800000 Other sundry extraordinary charges	-14 967.51	0.00
//11/a)	Other interest receivable and similar income derived from affiliated undertakings	34 823.15	13 886.06
	755420000 Interests from affiliated undertakings - Syncordis Ltd (UK)	13 930.40	1 340.50
	755430000 Interests from affiliated undertakings - SYNCORDIS PSF S.A.	2 600.53	0.00
	755440000 Interests from affiliated undertakings - Syncordis France S.à r.l.	18 292.22	12 545.56
//11/b)	other interest and similar income	7 488.32	451.92
	755600000 Discounts obtained	187.70	0.00
	756000000 Foreign exchange gains	7 300.62	451.92
//14/b)	Interest payable and similar expenses other interest and similar expenses	-20 599.29	-295.61
	655220000 Bank Interests on finance transactions	-14 974.39	0.00
	656000000 Foreign exchange losses	-5 624.90	-295.61
//15	Tax on profit or loss	1 900.00	-319 372.14
	671100000 Corporate Income Tax (IRC) - Current year	0.00	-225 041.05
	672100000 Municipal Income Tax (ICC) - Current year	0.00	-95 910.00
	771000000 Corporate income tax (IRC) adjustments	1 900.00	1 575.91
	772000000 Municipal Income Tax (ICC) adjustments	0.00	3.00
//16	Profit or loss after taxation	-131 851.62	976 971.53
//18	Profit or loss for the financial year	-131 851.62	976 971.53
	142000000 Profit or loss for the financial year	-131 851.62	976 971.53

Note 1 - GENERALITY

SYNCORDIS (the "Company") was incorporated on December 15, 2004 as a limited company Luxembourg for an unlimited period of time.

The head office is located at 105 Arlon Road L - 8009 Strassen.

The company's fiscal year begins on January and ends on December 31 of each year.

The company's purpose is economic advice as well as computer design and programming, in particular functional consulting, definition and management of projects, drafting specifications, organizing tests and workshops, assisting in the definition of operational procedures and the design of solutions for software.

In general, the Company will be able to make any other related transactions, industrial, financial, securities and real estate, relating to or indirectly to its purpose, or likely to promote its development.

Note 2 - PRINCIPES, PRINCIPES AND EVALUATION METHODS

Note 2.1 - General Principles

Annual accounts are prepared in accordance with the legal and regulatory provisions in force in Luxembourg and generally accepted accounting principles.

Accounting and annual accounts are set in EUR.

Accounting policies and evaluation fees are, apart from the rules imposed by the amended Act of December 19, 2002, determined and put in place by the Board of Directors.

The preparation of the annual accounts involves the use of a number of important estimates. It also requires the Board of Directors to exercise their judgment in the application of accounting principles. Any change in assumptions can have a significant impact on the annual accounts for the period during which these assumptions have changed. Management believes that the underlying assumptions are adequate and that the annual accounts thus provide an accurate picture of the Company's financial position and results.

The Company makes estimates and assumptions that affect the amounts taken back to assets and liabilities during the following period. Estimates and judgments are evaluated on an ongoing basis and are based on past experience and other factors, including expectations of future events deemed reasonable in these circumstances.

Note 2.2 - Key evaluation rules

The Company's main valuation rules include:

Note 2.2.1 - Tangible and intangible assets

Historical cost assessment method

Property and equipment are realized at the cost of acquisition, which includes incidental costs when purchased from a third party. In this case, they are depreciated on the basis of their estimated durations of use and the rates and depreciation methods applied are:

	Amortization rate	Amortization method
Computer licenses	25,00-33,33%	Linear
Office facilities	25,00-33,33%	Linear
Other facilities	25,00-33,33%	Linear

Property and equipment is assessed at cost when produced by the company itself. In this case, they are depreciated as they are used in their actual time.

When the Company considers that a tangible and intangible asset has suffered a lasting impairment, a further impairment is made to reflect that loss. These value corrections are not maintained when the reasons for them have ceased to exist.

Note 2.2.2 - Financial assets

Historical cost assessment method

Cost-of-acquisition valuation method

- Shares in related companies are assessed at the cost of acquisition. The acquisition cost is obtained by adding the ancillary costs to the purchase.
- Other Loans and fixed receivables are valued at face value.

In the event of impairment, which, in the opinion of the Board of Directors, is of a sustainable nature, these financial assets are subject to value corrections to give them the lower value that is to be attributed to them on the closing date of the balance sheet. These value corrections are not maintained when the reasons for their incorporation have ceased to exist.

Note 2.2.3 - Receivables

The receivables are recorded at face value. They are subject to value corrections when their recovery is compromise. These value corrections are not maintained if the reasons for their incorporation have ceased to exist.

Note 2.2.4 - Conversion of items in currency

The company keeps its accounting in EUR.

All transactions expressed in a currency other than EUR are recorded in EUR at the exchange rate in effect on the transaction date.

Bank holdings are converted to the exchange rates in effect on the closing date of the accounts. Foreign exchange losses and profits profit and losses for the year to December 31, 2019.

Note 2.2.5 - Active Settlement Accounts

This item includes expenses recorded during the year but attributable to a subsequent year.

Note 2.2.6 - Provisions

Provisions are intended to cover losses or debts that are clearly circumscribed as to their nature but which, at the end of the balance sheet, are either probable or certain but indeterminate as to their amount or as to their date of compliance.

Provisions are also made to cover expenses that originate in the previous fiscal year or year and which are clearly circumscribed as to their nature but which, on the closing date of the balance sheet, are either possible or certain but indeterminate as to their amount or as to the date of their occurrence.

Tax provisions

Provisions for taxes due

Tax provisions are recorded in "Tax Debts." They correspond to the tax obligation estimated by the Company. Advances paid for years for which no tax returns have been filed with the tax authorities are recorded in other claims.

Note 2.2.7 - Debts

Debts are recorded at their repayment value. When the amount to be repaid on debts is greater than the amount received, the difference is carried to the asset and is depreciated according to the linear/actuarial method.

Note 2.2.8 -Passive Re-Gularization Accounts

This item includes revenues collected during the year that are attributable to a subsequent fiscal year.

Note 2.2.9 - Net sales

The net amount of revenue includes amounts resulting from the sale of the products and the provision of services corresponding to the Company's ordinary operations, net of sales reductions, as well as the added value tax and other taxes directly related to revenue.

Note 3 - INCORPORELS IMMOBILISATIONS

The exercise moves are as follows:

Similar	Concessions, patents, licenses, trademarks, as well as rights and values		Total
	acquired parties (EUR)	from third parties (EUR)	produced by The company (EUR)
Gross value at the beginning of the year/period	23 750,00	900,00	24 650,00
Entries during the year	0,00	1 511 300,07	1 511 300,07
Outings during the year	0,00	0,00	0,00
Transfers during the year	0,00	0,00	0,00
Gross value at year-end	23 750,00	1 512 200,07	1 535 950,07
Cumulative value corrections at the beginning of the year	5 191,92	0,00	0,00
Year-to-date allocations	6 350,00	120 000,01	126 350,01
Resumptions of exercise	0,00	0,00	0,00
Transfers for the year	0,00	0,00	0,00
Cumulative value corrections at year-end	11 541,92	120 000,01	131 541,93
Net value at year-end	12 208,08	1 392 200,06	1 404 408,14
Net value at the beginning of the year	18 558,08	900,00	19 458,08

Note 4 - Immovable assets

For assets using the historical cost valuation method

The exercise moves are as follows:

	EUR	Other facilities, tools and furniture	Total EUR
Gross value at the beginning of the year	369 420,74		369 420,74
Entries during the year	153 712,19		153 712,19
Outings during the year	0,00		0,00
Transfers during the year	0,00		0,00
Gross value at year-end	523 132,93		523 132,93
Cumulative value corrections at the beginning of the year	218 253,98		218 253,98
Year-to-date allocations	136 191,72		136 191,72
Resumptions of exercise	0,00		0,00
Transfers for the year	0,00		0,00
Cumulative value corrections at year-end	354 445,70		354 445,70
Net value at year-end	168 687,23		168 687,23
Net value at the beginning of the year	151 166,76		151 166,76

Note 5 - FINANCIAL IMMOBILISATIONS

For assets using the historical cost valuation method

The exercise moves are as follows:

	Companies Related Actions EUR	Other loans EUR	Total EUR
Gross value at the beginning of the year	131 922,98	27 408,00	159 330,98
Entries during the year	370 000,00	0,00	370 000,00
Outings during the year	0,00	0,00	0,00
Transfers during the year	0,00	0,00	0,00
Gross value at year-end	501 922,98	27 408,00	529 330,98
Cumulative value corrections at the beginning of the year	0,00	0,00	0,00
Year-to-date allocations	0,00	0,00	0,00
Resumptions of exercise	0,00	0,00	0,00
Transfers for the year	0,00	0,00	0,00
Cumulative value corrections at year-end	0,00	0,00	0,00
Net value at year-end	501 922,98	27 408,00	529 330,98
Net value at the beginning of the year	131 922,98	27 408,00	159 330,98

Companies in which the Company holds at least 20% of the capital or in which it is associated indefinitely are:

Company name	Seat	Capital split held	Last year's date	fiscal closing	Equity on closing date (EUR)	Last year's results (EUR)
SYNCORDIS France SARL	8, Rue Paul Belmando 75012 Paris	100 %	31/12/2019		-441 788,82 €	-575 000,39 €
Syncordis Limited	Beacon House 15 Christchurch Road Bournemouth Dorset BH1 3LB	100 %	31/12/2019		- 1 728 993 € * (-1 443 233 £ *)	- 1 419 994 € * (-1 185 304 £*)
Syncordis PSF S.A.	105 Arlon Road L-8009 STRASSEN	100%	31/12/2019		377 759,83 €	-134 540,40 €

based on the latest available version of the annual accounts as of 31/12/19

Note 6 - RECEIVABLES

	Less than a year	2019	2018
	EUR	EUR	EUR
Receivables from sales and services			
Clients	2 203 013,76	2 203 013,76	1 617 117,23
Doubtful customers	106 572,00	106 572,00	83 538,00
Customers invoice to establish	665 378,30	665 378,30	161 187,40
Doubtful customer value corrections	-91 087,18	-91 087,18	-71 400,00
	0,00	0,00	24 546,08
Subtotal	2 883 876,88	2 883 876,88	1 814 988,71
Receivables on related companies			
Gross value	3 117 552,66	3 117 552,66	2 231 051,44
Subtotal	3 117 552,66	3 117 552,66	2 231 051,44
Other receivables			
Staff - advances and down payments	32 805,76	32 805,76	18 860,39
Suppliers receivable	0,00	0,00	0,00
Administration des Contributions	450 798,00	450 798,00	601 064,00
Social security and other social security claims	42 066,86	42 066,86	34 365,87
Miscellaneous receivables	0,00	0,00	43,76
Subtotal	525 670,62	525 670,62	654 334,02
Total	6 527 100,16	6 527 100,16	4 675 828,09

Note 7 - ACTIVE REGULARIZATION COMPTES

The regularization accounts consist mainly of:

- Charges to be carried forward amounting to 118,429.07 euros (21,166.47 euros in 2018)

Note 8 - CONCEDED CAPITAL

The subscribed capital amounts to EUR 34,800.00 and is represented by 23,800.00 shares without a fully released face value designation.

Note 9 - PRIMES OF EMISSION AND RELATED PRIMES

The movements of the "Emission Premiums and Related Premiums" item for the year are presented as follows:

	2019	2019
	EUR	EUR
Issue premiums and similar premiums at the beginning of the year	89 823,60	89 823,60
Exercise movements	0,00	0,00
Issue premiums and premiums at the end of the year	89 823,60	89 823,60

Note 10 - RESERVES

Note 10.1 - Legal Reserve

On net profits, it must be levied annually 5% to constitute the reserve fund prescribed by Luxembourg law. This levy ceases to be mandatory when the reserve reaches one-tenth of the capital. The legal reserve cannot be distributed.

Note 10.2 - Other reserves

As of December 31, 2019, the Company has reduced its wealth tax burden in accordance with paragraph 8a of Luxembourg's wealth tax legislation. The Company allocates in unavailable reserves an amount equal to 5x the amount of tax on the reduced wealth. The period of unavailability of this reserve is 5 years from the year following the reduction of the wealth tax.

Note 11 - MOVEMENTS OF THE EXERCISE ON THE POSTS OF "RESERVES" AND "RESULTS"

The exercise moves are as follows:

	Legal reser ve	Reserves for Equity	Statutory reserves	Other reservat ions	Deferred results	Results of the exercise
	EUR	EUR	EUR	EUR	EUR	EUR
At 31/12/2018	3 480,00	0,00	0,00	192 697,50	1 252 728,85	976 971,53
Exercise movements:						
- Assignment of the previous year's result	0,00	0,00	0,00	36 000,00	940 971,53	-976 971,53
- Dividend distribution	0,00	0,00	0,00	0,00	0,00	0,00
- Full-year result	0,00	0,00	0,00	0,00	0,00	-131 851,62
- Other movements (to be explained)	0,00	0,00	0,00	0,00	0,00	0,00
At 12/31/2019	3 480,00	0,00	0,00	228 697,50	2 193 700,38	-131 851,62

Note 12 - PROVISIONS

Provisions break down as follows:

		2019 EUR	2018 EUR
Other provisions	2 134 198,70		1 803 252,53
Total	2 134 198,70		1 803 252,53

Other provisions

Other provisions include:

- Operating provisions

Note 13 - DEBTORS NOT SUBORDINATED

The residual durations of positions under the heading "Unsubordinated Debts" are as follows:

	one year EUR	Durat ion less than	Total 2019 EUR	Total 2018 EUR
Debts to credit institutions	1 942 980,88		1 942 980,88	33 399,11
Debt on purchases and services	366 367,61		366 367,61	139 412,78
Debts to related companies	1 766 687,81		1 766 687,81	917 293,05
Tax debts	391 142,10		391 142,10	1 100 377,56
Debts to Social Security	233 911,51		233 911,51	186 090,63
Other debts	14 326,28		14 326,28	4 892,24
Total	4 714 266,19		4 714 266,19	2 381 465,37

The total amount of interest due on the debts described above is EUR 14,974.39 for the year 2019; (EUR 560.60 for 2018). The amount of cumulative interest payable in 2019 is EUR 0.00; (EUR 0.00 for the year 2018).

These debts have a residual duration of less than 5 years. They are not covered by actual security provided by the company.

Note 14 - REGULARISATION ACCOUNTS

The regularization accounts consist mainly of:

- Revenues to be deferred for EUR 123,582.01 (EUR 46,074.99 in 2018)

Note 15 - NET OF TAXES

Turnover is broken down as follows by category of activities and geographic areas:

	2019	2018
Services	15 834 976,14	13 545 124,02
Total	15 834 976,14	13 545 124,02

Note 16 - PERSONNEL

The Company employed 102 people (full-time equivalents) and, on average, in fiscal 2019, divided into the following category:

	2019	2018
Employees	102 people	75 people

Note 17 - EXCEPTIONAL CHARGES

Exceptional products include:

Proceeds from disposals of intangible and tangible assets exceptional expenses include :

- Book value of divested intangible and tangible assets
- Other exceptional charges

Note 18 - COMPENSATION ALLOCATED TO MEMBERS OF THE SUPERVISORY OR SUPERVISORY BODIES AND PENSION COMMITMENTS TO FORMER MEMBERS OF THESE BODIES

No remuneration was allocated to members of the management and supervisory bodies because of their function.

Note 19 - AVANCES AND ACCORDED CREDITS TO members OF GESTION OR supervisory bodies

No advances or reviews have been made to the management and supervisory bodies and no commitments have been made to them as a guarantee of some kind.

Note 20 - POSTERIOR EVENTS TO THE CLOSING

There are no post-closing events that could affect the company's accounts as of December 31, 2019.

At the beginning of 2020, Luxembourg and the rest of Europe are facing a health crisis linked to COVID-19. In the end of stopping the European countries, including Luxembourg, have taken increasingly stringent measures.

Given the company's activity, the majority of staff were able to continue working from home. A minority of thempl oyés must be on site and work with all the precautions as recommended by the government.

As a last resort, when otherwise not possible, employees have been put out of work. Luxembourg's policy, through the Employment Administration, helps to contain the liquidity problem for partially unemployed staff. Indeed, only the employer share of unemployed employees remains the responsibility of the company.

The revenue tax is relatively small at the moment, as ongoing projects continue. However, projects that have not started are postponed indefinitely. As a result, some consultants who no longer have any activity must have had to be put out of work.

The company's annual accounts as of December 31, 2019 do not reflect any impact related to this health crisis.

Given the known elements of the crisis, its temporary nature, social and stimulus measures, the negative impact on the company's activity for the current financial year currently seems moderate in the short term but there are significant uncertainties in the medium term.

Note 21 - AERS OF AERATOR

The company reviewer's fee for the review of the annual accounts as of December 31, 2019 amounts to a total of 9,000.00 euros.

Note 22 - OFF-BALANCE SHEET COMMITMENTS

The Company's guaranteed commitments to a Luxembourg banking institution are as follows:

	2019	2018
At a Luxembourg banking institution	5 100,00	5 100,00
Total	5 100,00	5 100,00

As of December 31, 2019, there are no other commitments by the Company that may be useful in assessing its financial situation.

Note 23 - RESULTS AFFECTATION

In accordance with the proposal of the Board of Directors, the allocation of available results is as follows:

	Legal reserve	Other reservations	Deferred results	Loss of the year
At 12/31/2019	3 480,00	228 697,50	2 193 700,38	-131 851,62
Exercise movements:				
Assignment to the five-year reserve	0,00	0,00	0,00	0,00
Takeover on previous reserve	0,00	-647,50	647,50	0,00
Allocation of loss after closing of exercise	0,00	0,00	-131 851,62	131 851,62
Dividend distribution	0,00	0,00	0,00	0,00
	3 480,00	228 050,00	2 062 496,26	0,00

SYNCORDIS PSF S.A.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

SYNCORDIS PSF S.A.

Head office : 105, route d'Arlon L - 8009 Strassen
R.C.S. Luxembourg B217963

MANAGEMENT REPORT ON 31st DECEMBER 2019

Dear shareholders,

We have the honor to present to you, our report, and the annual accounts, for the year ended on 31st December 2019, submitted today for approval.

Evolution of business and the company's position

The balance sheet total for the year ended on 31st December 2019 is EUR 1,109,702.20.-

We have ended the current financial year with a loss of EUR 134,540.40.-

We recommend to allocate the loss of the financial year of EUR 134,540.40.- to profit or loss brought forwards.

We beg you to grant full discharge to the Administrators, Directors and the Auditor for the execution of their mandate until 31st December 2019.

Significant events after the balance sheet closure

Since 16th of March 2020, the impact of COVID-19 on SYNCORDIS PSF SA, is accurately monitored by Syncordis Management.

Single Points of Contacts (SPOCS) have been named across all Syncordis Group for all regions (EMEA, Northern Europe, APAC and North America) and 21 managers participate to the calls (daily the first month and then three times a week).

During the first week, our staff gradually moved from a 'Working On Site' to a 'Working From Home' situation. It took a few days for some of our clients to put in place their BCP allowing our staff to connect and work remotely. Since the 18th of March 2020, only a few people (one IT and one Back Office) are working from the office to ensure minimum needed support.

A call at C-level is taking place on a weekly basis (every Friday) to follow the Cashflow at Group level and we have built different scenarios based on Client's payment delays from 20% to 50%.

In parallel we have evaluated the Government measures provided in Luxembourg and in the Group and checked potential support from our parent company, LTI :

- We have put a number of employees under "Partial Unemployment" (we have called it "Job Preservation Measure" internally)
- We have requested our bank ING Luxembourg for further loan, should the situation need it (under discussion with the bank)
- We have decided not to apply to the 500.000€ "Repayable financial aid to compensate for temporary financial difficulties caused by the COVID-19 crisis"
- When allowed by the Government and with the aim to protect our cashflow, we will delay VAT and CCSS payments

Partial unemployment - MARCH

In March, we have claimed the following amounts to ADEM :

Partial unemployment : 5 466.80 € (corresponding to 27.5 days, 4 people impacted, not full time)

The main reasons for unemployment are as follows :

- A few clients didn't allow remote access during the very first days
- One client has provided less remote access than usually
- Some clients have reduced their requests workload
- A training could not take place to train junior consultants, putting them on bench/unemployment
- A few projects didn't start as planned

Partial unemployment – APRIL

The forecast for unemployment in April is as follows :

48 days , 4 people partly impacted, 10% of the total available workforce

As a conclusion:

- The current situation has an impact on our revenues, limited in March and up to potentially 20% in April
- There has been no hard-stop of projects
- A few projects didn't start and are delayed
- The Sales team is continuing answering to RFP and we expect these Client's decisions to be delayed further
- With the current end of lockdown planned in May (France, Luxembourg, UK) we remain positive and don't foresee any critical issue; still we need to properly manage our cashflow and be careful with our costs

Financial accounts as at 31/12/19 have been prepared based on the accounting principle of continuity

Foreseeable development of the company

The company will continue its activities focused on the realization of investments, management and development based on the opportunities that will be identified and agreed by the Board of Administrators.

Activities in research and development

None.

Acquisition of own shares

On 31st December 2018, the company does not hold own shares in portfolio and does not acquired during the financial year closes on 31st December 2019.

Existence of branches

The company has no branch in the close of the 2019 financial year.

Proposal for result allocation

The accounts as presented to you show a loss of EUR 134,540.40 :

Incomes amounted to	2,121,251.20 EUR
and charges to	2,255,791.60 EUR
Loss of the exercise as at 31 st December 2019	-134,540.40 EUR

In accordance with the proposal Board of Administrators, the allocation of available results is as follows:

	Legal reserve	Réserves pour Shares propres	Five Year Reserve	Results reported	Results of the exercise
At 31/12/2019	3,000.00	0.00	0.00	109,300.23	-134,540.40
Movements after the end of the financial year:					
• Assignment of results to the next fiscal year	0.00	0.00	0.00	-134,540.40	134,540.40
• Dividend distribution	0.00	0.00	0.00	0.00	0.00
• Assignment to reserves	0.00	0.00	0.00	0.00	0.00
	3,000.00	0.00	0.00	-25,240.17	0.00

Statutory appointments - Discharge granted to the corporate bodies

We ask you, Dear Sole Shareholder to approve the accounts as they are presented by your board of Administrators and to give us full discharge and to Directors and Auditors for the year of our mandates during the year ended as at 31st December 2019.

Done in Strassen, on 13th April 2020

Mr Ashok SONTALIA,
Administrator

Mr Guillaume DESJONQUERES,
Administrator

Mr Luc GESQUIERE,
Administrator

Mr Sudhir CHATURVEDI,
Administrator

Mr Pierre HOET,
Administrator

REPORT OF THE REVISEUR D'ENTREPRISES AGREE (Audit Report)

To the Shareholders of

SYNCORDIS PSF S.A.
105, Route d' Arion
L-8009 STRASSEN

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SYNCORDIS PSF S.A. (the "Company"), which comprise the balance sheet as at 31st of December 2019, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st of December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "Reviser d'Entreprises Agree" for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters related to going concern

We draw the attention to Note 18 within the financial statements which indicates the effects that the Covid-19 outbreak may cause on the Company's activities and which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of the "Reviser d'Entreprises Agree" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Reviser d'Entreprises Agree" for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Reviser d'Entreprises Agree" that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Reviser d'Entreprises Agree" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Reviser d'Entr eprises Agree". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, the 29th April 2020

ACF Audit Luxembourg S.A.
Represented by Stephan Moreaux

No RC: B217963

Matricule: 2017 2209 247

SYNCORDIS PSF S.A.

EUR

ASSETS as at 31/12/2019

ASSETS	31/12/2019	31/12/2018
A Subscribed capital unpaid	0.00	0.00
I Subscribed capital not called		
II Subscribed capital called but unpaid		
B Formation expenses		
C Fixed assets	141 162.73	104 033.46
I Intangible assets	1 720.58	2 848.80
1 Costs of development		
2 Concessions, patents, licences, trade marks and similar rights and assets, if they were		
a) acquired for valuable consideration and need not be shown under C.I.3	1 720.58	2 848.80
b) created by the undertaking itself		
3 Goodwill, to the extent that it was acquired for valuable consideration		
4 Payments on account and intangible assets under development		
II Tangible assets	139 442.15	101 184.66
1 Land and buildings		
2 Plant and machinery	29 500.43	42 892.68
3 Other fixtures and fittings, tools and equipment	35 228.02	58 291.98
4 Payments on account and tangible assets in the course of construction	74 713.70	0.00
III Financial assets	0.00	0.00
1 Shares in affiliated undertakings		
2 Loans to affiliated undertakings		
3 Participating interests		
4 Loans to undertakings with which the undertaking is linked by virtue of participating inte		
5 Investments held as fixed assets		
6 Other loans		
D Current assets	954 299.47	514 361.71
I Stocks	0.00	0.00
1 Raw materials and consumables		
2 Work in progress		
3 Finished goods and goods for resale		
4 Payments on account		
II Debtors	778 397.96	192 471.96
1 Trade debtors		
a) becoming due and payable within one year	56 142.00	2 340.00
b) becoming due and payable after more than one year	0.00	0.00
2 Amounts owed by affiliated undertakings		
a) becoming due and payable within one year	689 158.14	184 787.46
b) becoming due and payable after more than one year		
3 Amounts owed by undertakings with which the undertaking is linked by virtue of participati		
a) becoming due and payable within one year		
b) becoming due and payable after more than one year		
4 Other debtors		
a) becoming due and payable within one year	33 097.82	5 344.50
b) becoming due and payable after more than one year		
III Investments	0.00	0.00
1 Shares in affiliated undertakings		
2 Own shares	0.00	0.00
3 Other investments		
IV Cash at bank and in hand	175 901.51	321 889.75
E Prepayments	14 240.00	4 147.76
TOTAL ASSETS	1 109 702.20	622 542.93

SYNCORDIS PSF S.A.

EUR

Detail for ASSETS

ASSETS		31/12/2019	31/12/2018
C/II/2/a)	Fixed assets		
	Intangible assets		
	Concessions, patents, licences, trade marks and similar rights and assets, if they were acquired for valuable consideration and need not be shown under C.I.3	1 720.58	2 848.80
	212130000 IT licences (software and software packages) - value adjustment	3 385.00	3 385.00
	212130009 IT licences (software and software packages)	-1 664.42	-536.20
C/II/2	Tangible assets		
	Plant and machinery	29 500.43	42 892.68
	222100000 Technical facilities	53 568.98	53 568.98
	222100009 Technical facilities - value adjustment	-24 068.55	-10 676.30
C/II/3	Other fixtures and fittings, tools and equipment	35 228.02	58 291.98
	223400000 Furniture	5 668.60	5 668.60
	223400009 Furniture - value adjustment	-3 473.15	-1 583.81
	223500000 Computer hardware	66 294.27	65 372.90
	223500009 Computer hardware - value adjustment	-33 261.70	-11 165.71
C/II/4	Payments on account and tangible assets in the course of construction	74 713.70	0.00
	224300000 Other fixtures and fittings, tools and equipment	74 713.70	0.00
D/II/1/a)	Current assets		
	Debtors		
	Trade debtors		
	becoming due and payable within one year	56 142.00	2 340.00
	401100000 Trade debtors	56 142.00	2 340.00
D/II/2/a)	Amounts owed by affiliated undertakings		
	becoming due and payable within one year	689 158.14	184 787.46
	411110000 Sales of goods and services to affiliated undertakings	0.00	184 787.46
	411111000 Sales of goods and services to affiliated undertakings	689 158.14	0.00
D/II/4/a)	Other debtors		
	becoming due and payable within one year	33 097.82	5 344.50
	421110000 Staff - Advances and deposits	9 919.49	5 344.50
	421400000 Direct Taxation Authority (ACD)	7 865.75	0.00
	421720000 Employer social insurance fund	2 655.34	0.00
	421781000 Other subsidies to promote employment - ADEM - CIE	12 657.24	0.00
D/IV	Cash at bank and in hand	175 901.51	321 889.75
	513101000 ING C/C LU83 0141 3581 8590 0000 (EUR)	175 901.51	321 889.75
E/	Prepayments		
		14 240.00	4 147.76
	481000000 Deferred charges	14 240.00	4 147.76

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SYNCORDIS PSF S.A.		EUR	
CAPITAL, RESERVES AND LIABILITIES as at 31/12/2019			
CAPITAL, RESERVES AND LIABILITIES		31/12/2019	31/12/2018
A	Capital and reserves	377 759.83	142 300.23
I	Subscribed capital	400 000.00	30 000.00
II	Share premium account		
III	Revaluation reserve		
IV	Reserves	3 000.00	0.00
1	Legal reserve	3 000.00	0.00
2	Reserve for own shares		
3	Reserves provided for by the articles of association		
4	Other reserves, including the fair value reserve		
a)	other available reserves		
b)	other non available reserves	0.00	0.00
V	Profit or loss brought forward	109 300.23	-4 980.90
VI	Profit or loss for the financial year	-134 540.40	117 281.13
VII	Interim dividends		
VIII	Capital investment subsidies		
B	Provisions	222 468.96	9 935.63
1	Provisions for pensions and similar obligations		
2	Provisions for taxation		
3	Other provisions	222 468.96	9 935.63
C	Creditors	462 673.41	407 807.07
1	Debenture loans		
a)	Convertible loans		
i)	becoming due and payable within one year		
ii)	becoming due and payable after more than one year		
b)	Non convertible loans		
i)	becoming due and payable within one year		
ii)	becoming due and payable after more than one year		
2	Amounts owed to credit institutions		
a)	becoming due and payable within one year	1 849.72	0.00
b)	becoming due and payable after more than one year		
3	Payments received on account of orders in so far as they are shown separately as deduction		
a)	becoming due and payable within one year		
b)	becoming due and payable after more than one year		
4	Trade creditors		
a)	becoming due and payable within one year	100 333.40	14 841.42
b)	becoming due and payable after more than one year	0.00	0.00
5	Bills of exchange payable		
a)	becoming due and payable within one year		
b)	becoming due and payable after more than one year		
6	Amounts owed to affiliated undertakings		
a)	becoming due and payable within one year	171 329.47	311 638.67
b)	becoming due and payable after more than one year		
7	Amounts owed to undertakings with which the undertaking is linked by virtue of participati		
a)	becoming due and payable within one year		
b)	becoming due and payable after more than one year		
8	Other creditors		
a)	Tax authorities	143 976.05	66 886.47
b)	Social security authorities	44 765.51	11 968.81
c)	Other creditors		
i)	becoming due and payable within one year	419.26	2 471.70
ii)	becoming due and payable after more than one year		
D	Deferred income	46 800.00	62 500.00
TOTAL CAPITAL, RESERVES AND LIABILITIES		1 109 702.20	622 542.93

SYNCORDIS PSF S.A.

Detail for CAPITAL, RESERVES AND LIABILITIES

EUR

CAPITAL, RESERVES AND LIABILITIES		31/12/2019	31/12/2018
A/I	Capital and reserves		
	Subscribed capital	400 000.00	30 000.00
	101000000 Subscribed capital (Corporations - Total amount)	400 000.00	30 000.00
A/IV/1	Reserves		
	Legal reserve	3 000.00	0.00
	131000000 Legal reserve	3 000.00	0.00
A/V	Profit or loss brought forward	109 300.23	-4 980.90
	141000000 Profit or loss brought forward	109 300.23	-4 980.90
A/VI	Profit or loss for the financial year	-134 540.40	117 281.13
	142000000 Profit or loss for the financial year	-134 540.40	117 281.13
B//3	Provisions		
	Other provisions	222 468.96	9 935.63
	188110000 Holidays provisions	36 468.96	9 935.63
	188120000 Provision pour primes	186 000.00	0.00
C//2/a)	Creditors		
	Amounts owed to credit institutions becoming due and payable within one year	1 849.72	0.00
	513102000 VISA - FISCH Stéphane - LU93 0141 4581 8591 0000	1 849.72	0.00
C//4/a)	Trade creditors		
	becoming due and payable within one year	100 333.40	14 841.42
	441110000 Trade creditors	92 833.40	12 200.72
	441120000 Trade payable - purchase invoice accruals	7 500.00	2 640.70
C//6/a)	Amounts owed to affiliated undertakings		
	becoming due and payable within one year	171 329.47	311 638.67
	451110000 Sales of goods and services towards affiliated undertakings	0.00	180 102.78
	451111000 Sales of goods and services towards affiliated undertakings	39 323.56	0.00
	451123000 Loan to SYNCORDIS S.A.	132 005.91	131 535.89
C//8/a)	Other creditors		
	Tax authorities	143 976.05	66 886.47
	461221018 Municipal Income Tax (ICC) 2018 - provision	0.00	7 766.00
	461240000 Withholding tax on salaries and wages	20 206.68	6 746.09
	461412000 VAT payable	123 769.37	52 374.38
C//8/b)	Social security authorities	44 765.51	11 968.81
	462100000 Social security	44 765.51	11 968.81
C//8/c/i)	Other creditors		
	becoming due and payable within one year	419.26	2 471.70
	471810000 Other charges to be paid	0.00	2 471.70
	471812000 Employees' expenses to be paid	419.26	0.00
D/	Deferred income		
		46 800.00	62 500.00
	482000000 Deferred income	46 800.00	62 500.00

SYNCORDIS PSF S.A.**Detail for CAPITAL, RESERVES AND LIABILITIES**

EUR

CAPITAL, RESERVES AND LIABILITIES

31/12/2019

31/12/2018

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SYNCORDIS PSF S.A.**PROFIT AND LOSS ACCOUNT**

EUR

PROFIT AND LOSS ACCOUNT	31/12/2019	31/12/2018
1 Net turnover	2 037 864.25	499 273.50
2 Variation in stocks of finished goods and in work in progress		
3 Work performed by the undertaking for its own purposes and capitalised		
4 Other operating income	83 352.95	29 856.56
5 Raw materials and consumables and other external expenses		
a) Raw materials and consumables	-13 151.68	-3 952.61
b) Other external expenses	-214 112.42	-141 113.85
6 Staff costs		
a) Wages and salaries	-1 571 471.24	-172 074.28
b) Social security costs		
i) relating to pensions		
ii) other social security costs	-184 282.21	-22 596.15
c) Other staff costs		
7 Value adjustments		
a) in respect of formation expenses and of tangible and intangible fixed asset	-38 505.80	-49 962.02
b) in respect of current assets		
8 Other operating expenses	-230 055.89	-13 849.02
9 Income from participating interests		
a) derived from affiliated undertakings		
b) other income from participating interests		
10 Income from other investments and loans forming part of the fixed assets		
a) derived from affiliated undertakings		
b) other income not included under a)		
11 Other interest receivable and similar income		
a) derived from affiliated undertakings		
b) other interest and similar income	0.00	0.00
12 Share of profit or loss of undertakings accounted for under the equity method		
13 Value adjustments in respect of financial assets and of investments held as current assets		
14 Interest payable and similar expenses		
a) concerning affiliated undertakings	-2 600.53	0.00
b) other interest and similar expenses	-6.83	0.00
15 Tax on profit or loss	34.00	-7 766.00
16 Profit or loss after taxation	-132 935.40	117 816.13
17 Other taxes not shown under items 1 to 16	-1 605.00	-535.00
18 Profit or loss for the financial year	-134 540.40	117 281.13

SYNCORDIS PSF S.A.

EUR

Detail for PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT		31/12/2019	31/12/2018
//1	Net turnover	2 037 864.25	499 273.50
	706000000 Services	997 541.28	561 773.50
	706040000 Services to Syncordis S.A.	1 345 697.97	0.00
	706041000 Services to Syncordis S.A. - credit note to be issued	-11 475.00	0.00
	706111000 Trade debtors - sales invoice differed	-356 400.00	-62 500.00
	706112000 Resumption on differed sales income	62 500.00	0.00
//4	Other operating income	83 352.95	29 856.56
	744421000 Other subsidies to promote employment - ADEM - CIE	17 604.35	0.00
	748000000 Other sundry operating income	65 748.60	3 856.56
	763200000 Tangible assets	0.00	26 000.00
//5(a)	Raw materials and consumables and other external expenses		
	Raw materials and consumables	-13 151.68	-3 952.61
	608130000 Administrative supplies	-6 057.63	-1 267.40
	608140000 Petrol	-7 094.05	-2 685.21
//5(b)	Other external expenses	-214 112.42	-141 113.85
	611120000 Buildings	-80 734.00	-20 100.00
	612100000 General subcontracting (not directly included in infrastructure, work and produc	0.00	-3 600.00
	612110000 General subcontracting - Syncordis S.A.	-776.65	-79 403.00
	612130000 General subcontracting - Syncordis Limited (UK)	-7 967.56	0.00
	612210000 Maintenance and repairs of plant and machinery	-84.00	-88.97
	612230000 Maintenance and repairs of movable equipment	0.00	-152.96
	612310000 Maintenance and cleaning	-1 426.47	-2 124.90
	613330000 Account costs	-387.65	-274.95
	613380000 Other costs and bank charges	-50.00	-75.00
	613410000 Legal fees	-18 805.89	-14 258.11
	613411000 Notary fees	-1 527.34	0.00
	613420000 Accounting and audit fees	-12 889.00	-5 141.00
	613421000 Audit fees - purchase invoice accruals	-6 000.00	-1 500.00
	613600000 Staff recruitment costs	-13 000.00	0.00
	613610000 Visa and relocation expenses	-11 891.18	0.00
	615211000 Management (respectively operators and shareholders/partners)	-130.00	0.00
	615212000 Travel expenses	-26 738.16	-4 672.56
	615212100 Parking	-445.94	-376.34
	615240000 Receptions and entertainment	-3 108.91	-1 095.60
	615320000 Telephone and other telecommunication costs	-12 210.48	-6 860.46
	615321000 Customised Emergency Open Space Services	-9 679.19	-1 250.00
	618200000 Conferences and seminars costs	-6 120.00	0.00
	618700000 Contributions to professional associations	-140.00	-140.00
//6(a)	Staff costs		
	Wages and salaries	-1 571 471.24	-172 074.28
	621110000 Basic salaries	-1 381 736.42	-171 557.15
	621121000 Sunday	-255.80	0.00
	621122000 Public holidays	-2 564.99	-213.30
	621123000 Overtime	-7 518.54	-609.08
	621140000 Gratuities, bonuses and commissions	-74 000.00	0.00
	621150000 Benefits in kind	-25 057.32	0.00
	621151000 Reprise chèques repas	-42 146.42	0.00
	621800000 Warrants purchase	-59 989.00	0.00
	621910000 Reimbursements for employer social insurance fund	21 797.25	305.25

SYNCORDIS PSF S.A.

EUR

Detail for PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT		31/12/2019	31/12/2018
//6(b)/ii)	Social security costs other social security costs	-184 282.21	-22 596.15
	623110000 Employer's social costs	-183 922.21	-22 530.56
	623300000 Occupational health service	-360.00	-65.59
//7(a)	Value adjustments in respect of formation expenses and of tangible and intangible fixed assets	-38 505.80	-49 962.02
	632230000 Licences informatiques (logiciels et progiciels informatiques) - value adjustmen	-1 128.22	-536.20
	633200000 Technical facilities - value adjustment	-13 392.25	-10 676.30
	633303000 Furniture - value adjustment	-1 889.34	-1 583.81
	633305000 Computer hardware (hardware) - value adjustment	-22 095.99	-11 165.71
	661200000 On tangible assets	0.00	-26 000.00
//8	Other operating expenses	-230 055.89	-13 849.02
	641300000 IT Licences (software and software packages)	-22 881.24	-8 061.15
	641310000 IT Licences (software and software packages) - Deferred charges	10 092.24	4 147.76
	646200000 VAT non-deductible	-4 259.76	0.00
	649100000 Holidays provisions	-26 533.33	-9 935.63
	649200000 Dotation aux provisions pour primes	-186 000.00	0.00
	668223000 Amende et intérêts de retards envers le CCSS	-100.00	0.00
	668240000 Intérêts de retard impôts sur salaires	-373.80	0.00
//14(a)	Interest payable and similar expenses concerning affiliated undertakings	-2 600.53	0.00
	655430000 Interests on affiliated undertakings - Syncordis S.A.	-2 600.53	0.00
//14(b)	other interest and similar expenses	-6.83	0.00
	656000000 Foreign exchange losses	-6.83	0.00
//15	Tax on profit or loss	34.00	-7 766.00
	672100000 Municipal Income Tax (ICC) - Current year	0.00	-7 766.00
	772000000 Municipal Income Tax (ICC) adjustments	34.00	0.00
//16	Profit or loss after taxation	-132 935.40	117 816.13
//17	Other taxes not shown under items 1 to 16	-1 605.00	-535.00
	681100000 Wealth Tax (IF) - Current year	-1 605.00	-535.00
//18	Profit or loss for the financial year	-134 540.40	117 281.13
	142000000 Profit or loss for the financial year	-134 540.40	117 281.13

Note 1 - GENERAL INFORMATIONS

SYNCORDIS PSF S.A. ('the Company'), formerly SYNCORDIS SUPPORT SERVICES S.A., was incorporated on 7 September 2017 as a limited company under Luxembourg law for an unlimited period of time. The deed was published in the Electronique Collection of Societies and Associations, issue RESA_2017_221, on 20 September 2017.

An extraordinary general meeting was held on 19 December 2019 following a notarial deed received by Master Paul BETTINGEN, notary of residence in Niederanven (Grand Duchy of Luxembourg) and published in the Electronic Collection of Societies and Associations, issue RESA_2020_007136, on 9 January 2020.

The purpose of this meeting was to act:

1. The name change: SYNCORDIS PSF S.A., formerly SYNCORDIS SUPPORT SERVICES S. A.
2. Changing the social purpose of the Company, which will now operate:
 - providing support and support to the IT system and information processing for industry and the service sector. In addition, the company will be able to act as operator of primary computer systems and as operator of secondary computer systems and communication networks of the financial sector in accordance with Article 29-3 and 29-4 of the Law of 5 April 1993 relating to the financial sector as amended
 - The Company may engage in any business, industrial, financial, real estate or intellectual property activity that it deems useful for the performance of these objects.
3. Edit articles 1st^{er} and 2nd^{of} the statutes
4. porter Increased the Company's share capital to EUR 400,000 by issuing 3,700 shares of EUR 100 Each.
5. Amend Article 5.1 of the Statutes
6. Fixing the holding of the annual general meeting on the 2nd Wednesday of May at 10:0000 and consequentive change of Article 9.1 of the Company's statutes.
7. Changes in the Company's powers of representation to third parties and as a result of Article 16.1 of the Statutes of Society.
8. Amendment of Section 17 relating to the supervision of the Company by an approved corporate reviewer appointed by the Board of Directors; resignation and discharge to be granted to the auditor.
9. Overhaul of the Company's statutes

The coordinated statutes were published in the Electronic Collection of Societies and Associations, issue RESA_2020_008384, on 10 January 2020.

The head office is located at 105 Arlon L Road - 8009 Strassen.
The Company's fiscal year begins on January and ends on December 31 of each year.

Note 2 - PRINCIPES, PRINCIPES AND EVALUATION METHODS

Note 2.1 - General Principles

Annual accounts are prepared in accordance with the legal and regulatory provisions in force in Luxembourg and generally accepted accounting principles.

Accounting and annual accounts are set up in Euro.

Accounting policies and valuation principles are, apart from the rules imposed by the amended Act of

December 19, 2002, determined and implemented by the Board of Directors.

The preparation of the annual accounts involves the use of a number of key accounting estimates. It also requires the Board of Directors to exercise its judgment in the application of accounting principles. Any change in assumptions can have a significant impact on the annuals accounts of the period during which these assumptions have changed. Management believes that the underlying assumptions are adequate and that the annual accounts thus provide an accurate picture of the Company's financial position and results.

The Company makes estimates and assumptions that affect the amounts taken back to assets and liabilities during the following period. Estimates and judgments are evaluated on an ongoing basis and are based on past and highly factor experience, including expectations of future events considered reasonable in these circumstances.

The Company is, on the basis of the criteria set by Luxembourg law, exempt from the obligation to establish consolidated accounts and a consolidated management report for the year/period ending December 31, 2019. Therefore, in accordance with the legal requirements, these accounts were submitted by the Board of Directors, on an unconsolidated basis, for approval at the annual general meeting.

Note 2.2 - Key evaluation rules

The Company's main valuation rules include:

Note 2.2.1 - Tangible and intangible assets

Historical cost assessment method

Property and equipment are assessed at acquisition costs, which include ancillary costs or cost. Body and intangible immobilities are depreciated on the basis of their estimated durations of use.

The rates and depreciation methods applied are:

	Rate amortization	Method amortization
Computer licenses (software and computer software)	33,33%	Linear
Technical installations and machines	25,00%	Linear
Furniture	33,33%	Linear
Computer hardware (hardware)	33,33%	Linear

When the Company considers that a tangible and intangible asset has suffered a lasting impairment, a further impairment is made to reflect that loss. These value corrections are not made when the reasons that motivated them ceased to exist.

Note 2.2.2 - Receivables

The receivables are recorded at face value. They are subject to value corrections when their recovery is compromised. These value corrections are not maintained if the reasons for their constitution have ceased to exist.

Note 2.2.3 - Conversion of items in currency

The Company keeps its accounting in Euro.

All transactions expressed in a currency other than Euro are registered in Euro at the exchange rate in effect on the transaction date.

Establishment fees and assets expressed in a currency other than Euro are converted to Euro at the historical exchange rate in effect at the time of the transaction. On the closing date, these assets remain converted at the historical price.

Bank holdings are converted to the exchange rates in effect on the closing date of the accounts. The resulting foreign exchange losses and profits are recorded as a result of profits and losses for the year.

The other items in the act if and liabilities are individually valued at the lowest, respectively at the highest, of their value converted to the historical exchange rate or their value determined on the basis of the exchange rates in effect at the closing date of the balance sheet. Only unrealized foreign exchange losses are recorded in the profit and loss account. Foreign exchange gains are recorded on the account of profits and losses at the time of their realization.

Where there is an economic link between an asset and a liability, these are assessed globally using the method described above and only the unrealized net foreign exchange loss is recorded on the profit and loss account and unrealized gains are not recorded.

Note 2.2.4 - Active Settlement Accounts

This item includes expenses recorded during the year but attributable to a subsequent year.

Note 2.2.5 - Provisions

The provisions are intended to cover expenses or debts that are clearly circumscribed as to their nature but which, at the closing date of the balance sheet, are either probable or certain but indeterminate as to their amount or date of occurrence.

Provisions are also used to cover expenses that originate in the previous fiscal year or year and which are clearly circumscribed as to their nature but which, on the closing date of the balance sheet, are either probable or certain but undetermined in their amount or as to the date of their occurrence.

Note 2.2.6 - Debts

Debts are recorded at the repayment value. When the amount to be repaid on debts exceeds the amount received, the difference is made to the account of loans and losses at the issue of the debt.

Note 2.2.7 - Passive Settlement Accounts

This item includes revenues collected during the year that are attributable to a subsequent fiscal year.

Note 2.2.8 - Tax

The company is subject to the taxes pre-seen by Luxembourg law for commercial companies. In terms of liabilities, tax debts also include the tax expense estimated by the corporation for years for which the Company's tax has not yet been established. Advances paid are recorded on balance sheet assets under the "Other Receivables" item.

Note 2.2.9 - Net sales

Net sales include amounts resulting from the sale of products and the provision of services corresponding to the Company's ordinary operations, net of sales reductions, as well as value-added tax and other taxes directly related to revenue.

Note 3 - INCORPORELS IMMOBILISATIONS

The exercise moves are as follows:

	Concessions, patents, licenses, trademarks, as well as similar rights and values	Total
	EUR	EUR
Gross value at the beginning of the year	3 385,00	3 385,00
Entries during the year	0,00	0,00
Outings during the year	0,00	0,00
Transfers during the year	0,00	0,00
Gross value at year-end	3 385,00	3 385,00
Cumulative value corrections at the beginning of the exercise	536,20	536,20
Year-to-date allocations	1 128,22	1 128,22
Resumptions of exercise	0,00	0,00
Transfers for the year	0,00	0,00
Cumulative value corrections at year-end	1 664,42	1 664,42
Net value at year-end	1 720,58	1 720,58
Net value at the beginning of the year	2 848,80	2 848,80

Note 4 - Immovable assets

The exercise moves are as follows:

	Technical installatio ns and machines	Other facilities, tools and furniture	Instalme nts paid and tangible assets corporelles in Course	Total
	EUR	EUR	EUR	EUR
Gross value at the beginning of the year	53 568,98	71 041,50	0,00	124 610,48
Entries during the year	0,00	921,37	74 713,70	75 635,07
Outings during the year	0,00	0,00	0,00	0,00
Transfers during the year	0,00	0,00	0,00	0,00
Gross value at year-end	53 568,98	71 962,87	74 713,70	200 245,55
Cumulative value corrections at the beginning of the year	10 676,30	12 749,52	0,00	23 425,82
Year-to-date allocations	13 392,25	23 985,33	0,00	37 377,58
Resumptions of exercise	0,00	0,00	0,00	0,00
Transfers for the year	0,00	0,00	0,00	0,00
Cumulative value corrections at year-end	24 068,55	36 734,85	0,00	60 803,40
Net value at year-end	29 500,43	35 228,02	74 713,70	139 442,15
Net value at the beginning of the year	42 892,68	58 291,98	0,00	101 184,66

Note 5 - RESSPS

The receivables consist as follows:

	Less than one an EUR	2019 EUR	2018 EUR
Receivables on related companies			
Gross value	689 158,14	689 158,14	184 787,46
Subtotal	689 158,14	689 158,14	184 787,46
Other receivables			
Clients	56 142,00	56 142,00	2 340,00
Staff - advances and down payments	9 919,49	9 919,49	5 344,50
Direct Contributions Administration	7 865,75	7 865,75	0,00
Employer Mutuality and Employment Administration	15 312,58	15 312,58	0,00
Subtotal	89 239,82	89 239,82	5 344,50
Total	778 397,96	778 397,96	192 471,96

Note 6 - ACTIVE REGULARIZATION ACCOUNTS

The regularization accounts consist mainly of:

- Charges to be carried forward amounting to EUR 14,240.00 (EUR 4,147.76 in 2018)

Note 7 - CAPITAL

The subscribed capital amounts to EUR 400,000.00 and is represented by 4000 shares with a face value of EUR 100.00 fully released.

There was a capital increase dated 19 December 2019, issued by an extraordinary general meeting received by Master Paul BETTINGEN, notary of residence in Niederaanven (Grand Duchy of Luxembourg) and published in the Electronic Collection of Societies and Associations, issue RESA_2020_007136, on 9 January 2020.

The increase during the year was as follows:

	2019 EUR
Capital subscribed as of January¹, 2019	30,000.00
As of December 19, : 2019:	
Increase per issue of 3,700 new shares of EUR 100 subscribed and fully released by way cash contribution	370,000.00
Capital underwritten as of December 31, 2019	400,000.00

As of December 31, 2019, there are no beneficiary units, convertible bonds and similar securities or

rights.

Note 8 - RESERVES

Note 8.1 - Legal Reserve

On net profits, it must be levied annually 5% to constitute the reserve fund prescribed by Luxembourg law. This levy ceases to be mandatory when the reserve reaches one-tenth of the capital. The legal reserve cannot be distributed.

Note 9 - MOVEMENTS OF EXERCICE ON THE "RESERVES" and "RESULTS"

The exercise moves are as follows:

	Legal reserve EUR	Statutory reserves EUR	Deferred results EUR	Results exercise EUR
At 31/12/2018	0,00	0,00	-4 980,90	117 281,13
Exercise movements:				
- Assignment of the previous year's result	3 000,00	0,00	114 281,13	-117 281,13
- Dividend distribution	0,00	0,00	0,00	0,00
- Full-year result	0,00	0,00	0,00	-134 540,40
- Other movements (to be explained)	0,00	0,00	0,00	0,00
At 12/31/2019	3 000,00	0,00	109 300,23	-134 540,40

Note 10 - PROVISIONS

Provisions break down as follows:

	2019 EUR	2018 EUR
Other provisions	222 468,96	9 935,63
Total	222 468,96	9 935,63

Note 10.1 - Other provisions

Other provisions include:

- Operating provisions
- Provision for premiums

Note 11 - DEBTORS

The residual durations of positions under the "Debts" section are as follows:

	Durat ion less than one year EUR	Total 2019 EUR	Total 2018 EUR
Debts to credit institutions	1 849,72	1 849,72	0,00
Debt on purchases and services	100 333,40	100 333,40	14 841,42
Debts to related companies	171 329,47	171 329,47	311 638,67
Tax debts	143 976,05	143 976,05	66 886,47
Debts to Social Security	44 765,51	44 765,51	11 968,81
Other debts	419,26	419,26	2 471,70
Total	462 673,41	462 673,41	407 807,07

These debts have a residual duration of less than 5 years. They are not covered by actual security provided by the company.

Note 12 - REGULARIZATION ACCOUNT LIABILITIES

The regularization accounts consist mainly of:

- Revenues for EUR 46,800.00 (EUR 62,500.00 in 2018)

Note 13 - PERSONNEL

The Company employed 19.00 full-time and on average in fiscal 2019 (7.50 people in 2018).

Note 14 - COMPENSATION ALLOCATED TO MEMBERS OF THE SUPERVISORY OR SUPERVISORY BODIES AND PENSION COMMITMENTS TO FORMER MEMBERS OF THESE BODIES

No remuneration was allocated to members of the management and supervisory bodies because of their function.

Note 15 - AVANCES AND ACCORDED CREDITS TO MEMBERS OR SUPERVISORY BODIES

No advances or credit was granted to the management and supervisory bodies and no commitments were made to them guarantee of some kind.

Note 16 - IMPOSITION

The Company is subject to the general tax rules applicable to commercial companies in Luxembourg.

Note 17 - OFF- BALANCE- SHEET

As of December 31, 2019, there are no commitments from the Company that could be useful in assessing its financial position.

Note 18 - POSTERIOR EVENTS TO THE CLOSING

The Ministry of Finance issued the company as of January 10, 2020, with the establishment authorization, number 01/20, allowing it to act as operator of primary computer systems and as operator of secondary computer systems and communication networks in the financial sector in order to article 29-3 and 29-4 of the Financial Sector Act of 5 April 1993 as amended.

At the beginning of 2020, Luxembourg and the rest of Europe are facing a health crisis linked to COVID-19. In order to stop the European countries, including Luxembourg, have taken increasingly stringent measures.

Given the company's activity, the majority of staff were able to continue working from home. A minority of employees must be on site and work with all the precautions recommended by the government.

As a last resort, when otherwise not possible, employees have been put out of work. Luxembourg's policy, through the Employment Administration, helps to contain the liquidity problem for partially unemployed staff. Indeed, only the employer share of unemployed employees remains the responsibility of the company.

The revenue tax is relatively small at the moment, as ongoing projects continue. However, projects that have not started are postponed indefinitely. As a result, some consultants who no longer have any activity had to be put out of work.

The company's annual accounts as of December 31, 2019 do not reflect any impact related to this health crisis.

Given the known elements of the crisis, its temporary nature, social and stimulus measures, the negative impact on the company's activity for the current financial year currently seems moderate in the short term but there are significant uncertainties in the medium term.

Note 19 - RESULTS AFFECTATION

In accordance with the Board's proposal, the allocation of available results is as follows:

	Legal reserve	Statutory reserves	Five- Year Reserve	Deferred results	Results exercise
At 12/31/2019	3 000,00	0,00	0,00	109 300,23	- 134 540,40
Movements after year-end:					
Assignment of results for the following year	0,00	0,00	0,00	- 134 540,40	134 540,40
Dividend distribution	0,00	0,00	0,00	0,00	0,00
Reserve allocation	0,00	0,00	0,00	0,00	0,00
	3 000,00	0,00	0,00	-25 240,17	0,00

SYNCORDIS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

SYNCORDIS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of information technology consultancy activities.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Chaturvedi
Mr G P M Desjonquieres
Mr S Samal
Mr A Sonthalia

Auditor

In accordance with the company's articles, a resolution proposing that The Paris Partnership be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....
Mr G P M Desjonquieres
Director

Date: April 22, 2020, Luxembourg

SYNCORDIS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SYNCORDIS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNCORDIS LTD

Opinion

We have audited the financial statements of Syncordis Ltd (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 13 in the financial statements which indicates that the Covid 19 outbreak may cause delay in the roll out of the company's business plan. Our opinion is not modified in this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SYNCORDIS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SYNCORDIS LTD

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SYNCORDIS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SYNCORDIS LTD

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Paris FCA (Senior Statutory Auditor)
for and on behalf of The Paris Partnership LLP
Chartered Accountants and Statutory Auditor
Russell House
140 High Street
Edgware
Middlesex
HA8 7LW

.....

SYNCORDIS LTD**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2019**

		Year ended 31 December 2019 £	Period ended 31 December 2018 £
	Notes		
Turnover		1,049,375	504,800
Cost of sales		(1,642,894)	(503,747)
		<u>(593,519)</u>	<u>1,053</u>
Gross (loss)/profit			
Administrative expenses		(851,871)	(316,225)
		<u>(1,445,390)</u>	<u>(315,172)</u>
Operating loss			
Interest receivable and similar income		24	9
Interest payable and similar expenses	4	(12,306)	(1,208)
		<u>(1,457,672)</u>	<u>(316,371)</u>
Loss before taxation			
Tax on loss	5	272,368	59,254
		<u>(1,185,304)</u>	<u>(257,117)</u>
Loss for the financial year		<u><u>(1,185,304)</u></u>	<u><u>(257,117)</u></u>

SYNCORDIS LTD**BALANCE SHEET****AS AT 31 DECEMBER 2019**

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Intangible assets	6		214,038		-
Tangible assets	7		27,029		14,139
			<u>241,067</u>		<u>14,139</u>
Current assets					
Debtors	8	812,090		222,179	
Cash at bank and in hand		33,617		236,327	
			<u>845,707</u>		<u>458,506</u>
Creditors: amounts falling due within one year	9	(544,570)		(290,488)	
Net current assets			<u>301,137</u>		<u>168,018</u>
Total assets less current liabilities			<u>542,204</u>		<u>182,157</u>
Creditors: amounts falling due after more than one year	10	(1,985,437)		(440,086)	
Net liabilities			<u>(1,443,233)</u>		<u>(257,929)</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss reserves			(1,444,233)		(258,929)
Total equity			<u>(1,443,233)</u>		<u>(257,929)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on April 22, 2020 and are signed on its behalf by:

.....
Mr G P M Desjonqueres
Director

Company Registration No. 10045506

SYNCORDIS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Syncordis Ltd is a private company limited by shares incorporated in England and Wales. The registered office is C/O Rayner Essex LLP, Tavistock House South, Tavistock Square, LONDON, WC1H 9LG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies adopted are set out below.

Syncordis Ltd is a 100% subsidiary of Syncordis S.A., which in turn is a 100% subsidiary of L&T Infotech GmbH. L&T Infotech GmbH is a 100% subsidiary of L&T Infotech Ltd, a company incorporated in India and listed on the NSE and BSE in India. The results of Syncordis Ltd are included in the consolidated financial statements of L&T Infotech Ltd and group accounts can be obtained from the ultimate parent company's office at L&T House, Ballard Estate, P.O. Box 278, Mumbai 400 001, India.

1.2 Going concern

As stated in note 13, the directors have considered the effect of the Covid 19 outbreak. The directors consider that the outbreak may delay the roll out of its business plan. They have received confirmation that any repayment of loans from the parent are not due until 1 August 2021. These loans, currently, amounting to £1,985,437 are included as due after one year. The directors consider the parent loan facility provides sufficient finance to allow the company to progress its business plan. They are confident, that with the continued financial support from the parent company, Syncordis S.A. the previously expected growth will return as the outbreak recedes and, on that basis, have adopted the going concern basis of accounting in preparing these financial statements.

1.3 Reporting period

The company's financial statement are presented for a 12 month period to 31 December 2019 so as to ensure they are co-terminus with the financial statements of the parent. The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable as they relate to a 9 month period ending 31 December 2018.

1.4 Turnover

Turnover represents amounts receivable for services net of VAT.

Turnover represents revenue earned under a wide variety of contracts to provide Information Technology and support services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represent amounts chargeable to clients, including expenses and disbursements but excluding value added tax. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors

1.5 Research and development expenditure

Research costs are expensed as incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

SYNCORDIS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	3 years straight line
-------------------	-----------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	3 years straight line
-----------	-----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SYNCORDIS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

SYNCORDIS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	4,500	4,500
	<u> </u>	<u> </u>

SYNCORDIS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 19 (2018 - 4).

4 Interest payable and similar expenses

	2019 £	2018 £
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	12,306	1,208
	<u>12,306</u>	<u>1,208</u>

5 Taxation

	2019 £	2018 £
Deferred tax		
Deferred tax on losses for the current period	(272,368)	(59,254)
	<u>(272,368)</u>	<u>(59,254)</u>

6 Intangible fixed assets

	Other £
Cost	
At 1 January 2019	-
Additions	214,038
	<u>214,038</u>
At 31 December 2019	214,038
	<u>214,038</u>
Amortisation and impairment	
At 1 January 2019 and 31 December 2019	-
	<u>-</u>
Carrying amount	
At 31 December 2019	214,038
	<u>214,038</u>
At 31 December 2018	-
	<u>-</u>

SYNCORDIS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2019	15,578
Additions	26,038
	<hr/>
At 31 December 2019	41,616
	<hr/>
Depreciation and impairment	
At 1 January 2019	1,439
Depreciation charged in the year	13,148
	<hr/>
At 31 December 2019	14,587
	<hr/>
Carrying amount	
At 31 December 2019	27,029
	<hr/> <hr/>
At 31 December 2018	14,139
	<hr/> <hr/>

8 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	418,333	110,800
Amounts owed by group undertakings	59,254	-
Other debtors	334,503	111,379
	<hr/>	<hr/>
	812,090	222,179
	<hr/> <hr/>	<hr/> <hr/>

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	241,757	170,140
Taxation and social security	65,761	29,009
Other creditors	237,052	91,339
	<hr/>	<hr/>
	544,570	290,488
	<hr/> <hr/>	<hr/> <hr/>

SYNCORDIS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****10 Creditors: amounts falling due after more than one year**

	2019	2018
	£	£
Amounts owed to group undertakings	1,985,437	440,086
	<u> </u>	<u> </u>

The amount owed to group undertakings includes £1,985,437 (2018: £440,086) due to Syncordis S.A.. Interest is payable at the rate of 1% per annum (non-cumulating) and the loan facility is for a period of two years from the date of the first drawdown.

11 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

12 Parent company

The parent undertaking is Syncordis S.A., a company incorporated in Luxembourg. The ultimate controlling party is L&T Infotech Ltd, a company incorporated in India.

Copies of the group accounts can be obtained from the Company Secretary at L&T House, Ballard Estate, P.O. Box 278, Mumbai 400 001, India.

13 Post balance sheet event - Pandemic Covid 19

The directors have considered the effect of the Covid 19 outbreak that has been spreading throughout the world in early 2020 on the company's activities.

This outbreak is likely to cause disruption to the company's business but at the date of approval of these financial statements, the extent and quantum of the disruption remains uncertain.

SYNCORDIS FRANCE SARL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Fiscal Year Ended December 31, 2019



Key Figures

	01/01/19 to 31/12/19 12 months	01/01/18 to 31/12/18 12 months
Turnover	2 546 098	3 562 440
Overall gross margin	1 789 214	1 684 743
Value added	1 517 695	1 253 813
Staffing expenses	1 936 107	1 958 137
Gross operating surplus	-429 039	-736 053
Financial result	-19 736	-14 438
Net income	-575 000	-597 812
Self-financing capacity	-535 610	-593 774
Equity	-441 789	133 212
Loans		

Balance Sheet	Gross	Amortized. Depreciation	Net at 31/12/2019	Net at 31/12/2018
Active				
Unsubscribed capital not called				
ACTIVE IMMOBILIZES				
Intangible assets:				
- Commercial fund				
- Other				
Property And tangible assets	25 980,08	23 486,84	2 493,24	3 900,76
Financial real estate (1)	8 671,75		8 671,75	8 525,10
Total assets locked in	34 651,83	23 486,84	11 164,99	12 425,86
CIRCULATING ASSETS				
Stocks and outstanding (other than commodities)				
Wares				
Advances and down payments on orders	2 309,44		2 309,44	
Customers and related accounts (2)	577 859,16	62 892,50	514 966,66	1 532 441,14
Other receivables (2) (3)	210 638,06	3 338,59	207 299,47	412 791,83
Capital underwritten and called, unpaid				
Investment securities				
Availability	153 891,34		153 891,34	401 546,63
Total assets outstanding	944 698,00	66 231,09	878 466,91	2 346 779,60
Regularization accounts (2):				
- Expenses recorded in advance	392,60		392,60	14 263,22
- Other				
TOTAL GENERAL	979 742,43	89 717,93	890 024,50	2 373 468,68
(1) Of which less than one year (gross)				
(2) Of which at more than one year (gross)				


Balance Sheet

	31/12/2019	31/12/2018
Equity		
Capital	15 000,00	15 000,00
Emission, merger, contribution, ...		
Reassessment gap		
Legal reserve	1 500,00	1 500,00
Statutory or contract reserves		
Regulated reserves		
Other reservations	116 711,57	714 523,33
Postpone again		
EXERCICE RESULT (profit or loss)	-575 000,39	-597 811,76
Investment grants		
Regulated provisions	-441 788,82	133 211,57
OTHER EQUITY		
Proceeds from participatory securities		
Conditional advances		
PROVISIONS FOR RISKS AND EXPENSES		
Provisions for risk		
Provisions for expenses		
DEBTS (1)		
Convertible bonds		
Other bonds		
Borrowings and debts from credit institutions (2)		
Miscellaneous loans and debts (3)	590 837,78	912 545,56
Advances and orders received on current orders		
Supplier debts and related accounts	141 843,69	486 219,97
Tax and social debts	564 419,83	687 490,47
Capital debts and related accounts		
Other debts	1 121,11	111 701,11
Products recognized in advance (1)	33 590,91	42 300,00
	1 331 813,32	2 240 257,11
Passive converting differences		
TOTAL GENERAL	890 024,50	2 373 468,68
<i>(1) Of which at more than one year (a)</i>		
<i>(1) Of which less than one year (a)</i>	<i>1 331 813,32</i>	<i>2 240 257,11</i>
<i>(2) Including bank competitions and bank credit balances</i>		
<i>(3) Of which participatory borrowings</i>		
<i>(a) Exception of advances and instalments received on current orders</i>		

Income Statement	31/12/2019	31/12/2018
Revenues		
Goods sales		
Production sold (property)		
Production sold (services)	2 546 098,06	3 562 440,23
Net sales	2 546 098,06	3 562 440,23
<i>Of which export</i>	<i>12 968,85</i>	<i>594 298,37</i>
Stored production		
Fixed production		
Operating subsidies		
Recoveries on provisions (and depreciation), transfers of expenses	26 776,70	1 825,47
Other products (2)	389,66	108,52
Total	2 573 264,42	3 564 374,22
Operating expenses		
Purchasing goods		
Stock changes		
Purchases of raw materials and other supplies		
Stock changes		
Other external purchases and expenses (1)	1 028 402,68	2 308 627,21
Taxes, taxes and related payments	10 627,11	31 729,53
Wages and salaries	1 366 966,97	1 364 895,83
Social charges	569 140,17	593 240,82
Depreciation and amortization	2 939,95	4 037,72
Depreciation and provisions allowances:		
- On capital assets: impairment allocations		
- On assets circulating: impairment allocations	62 892,50	
- For risks and expenses: provisions endowments		
Other charges	5 550,72	115,44
Total	3 046 520,10	4 302 646,55
OPERATING RESULTS	-473 255,68	-738 272,33
Share of earnings on joint transactions		
Financial products (2)	45,19	
Financial expenses	19 781,33	14 437,86
Exceptional products (2)	14 525,40	12 357,12
Exceptional expenses		1 802,69
Income taxes	96 533,97	-144 344,00
BENEFICE OR LOSS (3)	-575 000,39	-597 811,76
<i>(1) Including:</i>		
- furniture leasing royalties		
- real estate leasing royalties		
<i>(2) Resumptions on provisions and depreciation</i>	<i>26 442,00</i>	
<i>(3) Given an exceptional result of</i>	<i>14 525,40</i>	<i>10 554,43</i>


Intermediate management balances (production)

	01/01/19 to 31/12/19 12 months	%	01/01/18 to 31/12/18 12 months	%
Goods sales				
Cost of purchases goods sold				
COMMERCIAL MARGIN				
Production sold	2 546 098,06	100,00	3 562 440,23	100,00
Stored production				
Fixed production				
TOTAL PRODUCTION FOR THE YEAR	2 546 098,06	100,00	3 562 440,23	100,00
PROD - MERCHANDISE SALES	2 546 098,06	100,00	3 562 440,23	100,00
Purchasing raw materials and sourcing.				
Changes in stocks				
Direct outsourcing	756 884,43	29,73	1 877 696,78	52,71
GROSS PRODUCTION MARGIN	1 789 213,63	70,27	1 684 743,45	47,29
GLOBAL GROSS MARGIN	1 789 213,63	70,27	1 684 743,45	47,29
Other external purchases and expenses	271 518,25	10,66	430 930,43	12,10
ADDED VALUE	1 517 695,38	59,61	1 253 813,02	35,20
Operating subsidies				
Taxes, taxes and related verst	10 627,11	0,42	31 729,53	0,89
Staffing expenses	1 936 107,14	76,04	1 958 136,65	54,97
GROSS OPERATING EXCEDENT	-429 038,87	-16,85	-736 053,16	-20,66
Takeovers s/charges and Transfers	26 776,70	1,05	1 825,47	0,05
Other products	389,66	0,02	108,52	
Dot. depreciation and amortization	65 832,45	2,59	4 037,72	0,11
and provisions Other expenses	5 550,72	0,22	115,44	
OPERATING RESULTS	-473 255,68	-18,59	-738 272,33	-20,72
Quote share result in common				
Financial products	45,19			
Financial expenses	19 781,33	0,78	14 437,86	0,41
CURRENT PRE-TAX RESULTS	-492 991,82	-19,36	-752 710,19	-21,13
Exceptional Proceeds	14 525,40	0,57	12 357,12	0,35
Exceptional Expenses			1 802,69	0,05
Interest				
Income taxes	96 533,97	3,79	-144 344,00	-4,05
RESULTS OF THE YEAR	-575 000,39	-22,58	-597 811,76	-16,78

Accounting Rules & Methods

Introducing the Appendix

Company designation: EURL SYNCORDIS FRANCE

Appendix to the balance sheet before allocation for the year ended 31/12/2019, totalling 890,025 Euros and the results account for the year, presented as a list, resulting in a loss of 575,000 Euros. The following

notes or tables are an integral part of the annual accounts.

The exercise lasts 12 months, covering the period from 01/01/2019 to 31/12/2019.

No characteristic facts of the year and no significant post-year events are to be reported.

General rules

The annual accounts for the year to 31/12/2019 were established in accordance with the accounting standards authority's regulations No. 2014-03 up to date of the various supplementary regulations on the date of the establishment of the so-called annual accounts.

Accounting policies have been applied sincerely in accordance with the principle of prudence, in accordance with basic assumptions:

- continuity of operations,
- accounting methods from year to year,
- independence of the exercises.

and in accordance with the general rules for setting up and presenting annual accounts.

The basic method used to assess accounting items is the historical cost method. Only significant information is expressed..

Property and equipment

Property and equipment are valued by their acquisition cost for expensive assets, their cost of production for the assets produced by the company, their market value for assets acquired free of charge and by exchange.

The cost of a fixed asset consists of its purchase price, including non-recoverable customs duties and taxes, after deducting rebates, commercial rebates and settlement discounts. It also includes all directly attributable costs incurred to put the asset in place and in operation according to the intended use. The transfer fee, fees or commissions and fees for deeds related to the acquisition, are not related to this acquisition cost. All costs that are not part of the capital acquisition price and cannot be related to the costs required to put the asset in place and in operation in accordance with the intended use are accounted for in expenses.

Depreciation amortization is calculated in a linear manner based on the following durations:

- * Office equipment: 5 to 10 years
- * Computer hardware: 3 years
- * Furniture: 10 years

Accounting rules and methods

The amortization period retained by simplification is the duration of use for the original non-decomposable goods.

Holdings, locked-in securities, securities

The gross value is the cost of purchase, excluding incidental costs. When the inventory value is less than the gross value, an depreciation equal to the amount of the difference is recorded.

Claims

The receivables are valued at face value. A provision for depreciation is made when the value of inventory is less than the book value.

Exceptional revenues and expenses

Exceptional revenues and expenses take into account items that are not related to the normal business activity.

Retirement commitments

The company's collective agreement provides for end-of-career benefits. No specific agreement has been signed. The corresponding commitments were not found in the form of provisions.

Retirement pay is determined by applying a method that takes into account projected end-of-career salaries, staff turnover, life expectancy and assumptions to discount predictable payments.

The actuarial hypotheses selected are:

- Discount rate: 0.77%
- Wage growth rate: 1.5%
- Retirement age: 65
- Mortality rate table: INSEE 2018


Notes on Balance Sheet
Assets immobilised**Capital Table**

	at the beginning of the fiscal year	Increase	Decrease	at the end of the year
- General facilities, layouts and - Technical facilities, equipment and tools - General facilities, layouts - Office and COMPUTER equipment, furniture	24 448	1 532		25 980
<i>Property and equipment</i>	24 448	1 532		25 980
- Investments assessed by setting - Loans and other financial assets	8 525	147		8 672
<i>Financial assets</i>	8 525	147		8 672
ACTIVE IMMOBILIZES	32 973	1 679		34 652


Notes on Balance sheet
Capital amortization

	At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year
- General facilities, layouts and				
- Technical facilities, equipment and tools				
- General facilities, layouts				
- Office and COMPUTER equipment, furniture	20 547	2 940		23 487
<i>Property and equipment</i>	20 547	2 940		23 487
IMMOBILITY ASSETS: AMORTIZATION	20,547	2,940		23,487

Notes on Balance sheet

Circulating assets

Claims status

Total receivables at year-end amounted to EUR 797,562 and was generally broken down as follows:

	Gross amount	1-year up	Ends to more than 1 year
Fixed asset receivables:			
Receivables related to equity			
Ready			
Other	8 672		8 672
Assets receivables:			
Customer receivables and Related Accounts	577 859	577 859	
Other	210 638	210 638	
Subscribed capital - called, unpaid			
Expenses recorded in advance	393	393	
Total	797 562	788 890	8 672
Loans granted during the year Loans recovered during the year			

Products to receive

	Amount
Customers - invoices to be established	194 664
Total	194 664

Notes on Balance sheet

Equity

Composition of Social Capital

Social capital of 15,000.00 Euros broken down into 300 securities with a face value of 50.00 Euros.

	Number	Nominal value
Securities comprising the share capital at the beginning of the year	300	50,00
Securities issued during the year		
Securities repaid during the year		
Securities comprising the share capital at the end of the year	300	50,00

Notes on Balance Sheet

Debts

Debt status

Total debts at year-end amounted to EUR 1,331,813 and was generally broken down as follows:

	Gross amount	1-year up	1 to 5 year olds	Echéances more than 5 years old
Convertible bonds				
Other bonds				
Borrowings and debts from credit institutions including:				
- up to 1 year old originally				
- more than 1 year old				
Miscellaneous borrowings and financial debts				
Debts Suppliers and related accounts	141 844	141 844		
Tax and social debts	564 420	564 420		
Capital debt and accounts Attached				
Group and associates	590 838	590 838		
Other debts	1 121	1 121		
Products recognized in advance	33 591	33 591		
Total	1 331 813	1 331 813		
Borrowings underwritten during the year				
Loans repaid over the year				

Expenses payable

	Amount
Suppliers - fact. failed	80 798
Associates - accrued interest	30 838
Debts prov. cp and rtt	87 667
Staff - other expenses payable	122 500
Charges soc. / prov. cp et rtt	37 995
Social charges - charges payable	48 344
CVAE to pay	6 715
Apprenticeship tax	4 767
Formation continue	9 805
Total	429 429


Notes on Balance Sheet
Regularization accounts**Expenses recorded in advance**

	Operating expenses	Financial expenses	Exceptional Expenses
Expenses noted in advance	393		
Total	393		

Products recognized in advance

	Revenues	Financial products	Exceptional products
Products recognized in advance	33 591		
Total	33 591		

 **Notes on the income statement****Expenses and revenues and financial****Compensation for auditors**

Amount recorded under the legal control of annual accounts: 7,500 Euros

 **Other Information****Retirement commitments**

Amount of pension commitments, pension supplements and related allowances: 35 816 Euros The amount of the company's commitment to employees' end-of-career benefits was estimated according to the retirement allowance provided by the Labour Code using the method of projected credit units.

For a defined benefit plan, recommendation No. 2003-R.01 of April 1, 2003 is applied.

 Detailed balance sheet

	Gross	Amortization Depreciations	Net at 31/12/19	Net at 31/12/18
Active				
Other tangible assets				
218300 - Office equipment	18 879,49		18 879,49	18 879,49
218310 - Computer equipment	5 568,16		5 568,16	5 568,16
218400 - Furniture	1 532,43		1 532,43	
281830 - Amort. matt. office and info.		18 817,09	-18 817,09	-17 829,14
281831 - Amort. matt computer		4 573,80	-4 573,80	-2 717,75
281840 - Amortis. Furniture		95,95	-95,95	
	25 980,08	23 486,84	2 493,24	3 900,76
Other financial assets				
275000 - Deposits and bonds	8 671,75		8 671,75	8 525,10
	8 671,75		8 671,75	8 525,10
ACTIVE IMMOBILIZES	34 651,83	23 486,84	11 164,99	12 425,86
Advances paid on orders				
409100 - Suppliers - instalments s/com	2 309,44		2 309,44	
	2 309,44		2 309,44	
Customers and related accounts				
411000 - Clients	307 724,39		307 724,39	1 301 452,23
416000 - Doubtful or contentious customers	75 471,00		75 471,00	29 753,41
418100 - Customers - invoices to be established	194 663,77		194 663,77	227 677,50
491000 - Accounts receivable depreciation		62 892,50	-62 892,50	-26 442,00
	577 859,16	62 892,50	514 966,66	1 532 441,14
Suppliers receivable				
401000 - Suppliers	41 393,18		41 393,18	975,00
	41 393,18		41 393,18	975,00
Personnel				
437310 - Mutual				249,00
437700 - Tickets restaurants	162,00		162,00	
	162,00		162,00	249,00
State, Income Taxes				
444,000 - State - income taxes				173 062,05
444200 - State claimsetat - carry back	144 344,00		144 344,00	144 344,00
	144 344,00		144 344,00	317 406,05
State, Revenue Taxes				
445660 - Tva ded./other goods and scenes	9 051,80		9 051,80	10 005,51
445663 - Intra-community ded tva	4 802,13		4 802,13	80 088,40
445860 - Vat on unreased invoices	7 546,36		7 546,36	3 135,12
	21 400,29		21 400,29	93 229,03
Other receivables				
467100 - Other accounts receivable/credite	3 338,59		3 338,59	3 338,59
467555 - Other accounts receivable				932,75
496700 - Depreciations other cptes debit.		3 338,59	-3 338,59	-3 338,59
	3 338,59	3 338,59		932,75
Availability				
512140 - Cic	153 891,34		153 891,34	326 546,63
512141 - Cat				75 000,00
	153 891,34		153 891,34	401 546,63

 Detailed balance sheet

	Gros s	Amortization Depreciations	Net at 31/12/19	Net at 31/12/18
CIRCULATING ASSETS	944 698,00	66 231,09	878 466,91	2 346 779,60
Expenses recorded in advance				
486000 - Advance-recognized charges	392,60		392,60	14 263,22
	392,60		392,60	14 263,22
REGULARIZATION ACCOUNTS	392,60		392,60	14 263,22
TOTAL ACTIVE	979 742,43	89 717,93	890 024,50	2 373 468,68

 Detailed balance sheet

	Net at 31/12/19	Net at 31/12/18
Liability		
Social or individual capital		
101000 - Individual Capital	15 000,00	15 000,00
	15 000,00	15 000,00
Legal reserve		
106100 - Legal reserve	1 500,00	1 500,00
	1 500,00	1 500,00
Other reservations		
106800 - Other reserves	116 711,57	714 523,33
	116 711,57	714 523,33
Full-year result	-575 000,39	-597 811,76
Equity	-441 788,82	133 211,57
OTHER EQUITY		
PROVISIONS FOR RISKS AND EXPENSES		
Miscellaneous borrowings and financial debts - Associates		
455200 - Syncordis SA Current Account	560 000,00	900 000,00
455800 - Associates - accrued interest	30 837,78	12 545,56
	590 837,78	912 545,56
Supplier debts and related accounts		
401000 - Suppliers	61 045,53	467 198,18
408100 - Suppliers - fact. failed	80 798,16	19 021,79
	141 843,69	486 219,97
Personnel		
428200 - Debts prov. cp and rtt	87 667,11	66 385,54
428600 - Personnel - other expenses payable	122 500,00	90 184,00
	210 167,11	156 569,54
Social organizations		
431000 - Urssaf	40 524,46	40 711,33
437080 - ADESATT contributions	401,42	419,75
437200 - Reunseal retreatca	47 298,81	42 106,95
437300 - Provident	4 149,69	3 594,12
438200 - Charges soc. / prov. cp et rtt	37 995,04	29 042,88
438600 - Social charges - charges payable	48 344,00	56 813,00
438700 - Social charges recev - receipts		455,07
	178 713,42	173 143,10
State, Revenue Taxes		
445210 - Tva coll autoliquidée/ prest. ue	4 802,13	80 088,40
445510 - Vat to be disbursed	46 652,00	47 943,00
445720 - 20% collected tax	61 273,21	183 856,57
445870 - Vat on invoices to be established	32 443,96	21 276,25
	145 171,30	333 164,22
Other tax and social debts		
442100 - Levy at source	9 080,74	

 Detailed balance sheet

	Net at 31/12/19	Net at 31/12/18
448611 - CVAE payable	6 715,00	
448620 - Apprenticeship tax	4 767,00	14 278,36
448630 - Formation continue	9 805,26	10 335,25
	30 368,00	24 613,61
Other debts		
419800 - Customers - rrr to grant		100 020,00
467110 - Miscellaneous Creditors		10 560,00
467800 - Other accounts - FX MARTIN	1 121,11	1 121,11
	1 121,11	111 701,11
Debts	1 298 222,41	2 197 957,11
Products recognized in advance		
487000 - Products recognized in advance	33 590,91	42 300,00
	33 590,91	42 300,00
TOTAL LIABILITIES	890 024,50	2 373 468,68

 Detailed income statement

	01/01/19 to 31/12/19 12 months	01/01/18 to 31/12/18 12 months	Absolute change (amount)	Var. abs. (%)
Products				
Production sold				
706000 - Services	1 588 391,25	1 438 856,25	149 535,00	10,39
706100 - CHAABI Services	769 723,50	1 510 922,61	-741 199,11	-49,06
706200 - SYNCORD Service	119 006,00	17 000,00	102 006,00	600,04
706210 - SYNCORD Service	14 583,33		14 583,33	
706300 - Export services	12 968,85	454 531,26	-441 562,41	-97,15
706400 - Intracom services	5 940,00		5 940,00	
708800 - Other products related activities	6 848,57	1 363,00	5 485,57	402,46
708810 - Other products activities - Syn.Lu	28 636,56		28 636,56	
708890 - Other ancillary products (export)		139 767,11	-139 767,11	-100,00
	2 546 098,06	3 562 440,23	-1 016 342,17	-28,53
Other products				
758000 - Miscellaneous products current management	389,66	108,52	281,14	259,07
781740 - Reprise.s/prov.deprec. receivables	26 442,00		26 442,00	
791000 - Transfer of exploitati charges	334,70	1 825,47	-1 490,77	-81,66
	27 166,36	1 933,99	25 232,37	NS
Total revenue	2 573 264,42	3 564 374,22	-991 109,80	-27,81
OPERATING EXPENSES				
Other purchases and external expenses				
604000 - Lux syncordis benefits.	307 872,07	643 257,00	-335 384,93	-52,14
604001 - Syncordis UK Benefits	37 036,48		37 036,48	
604010 - Benefits and Education	365 512,50	512 135,00	-146 622,50	-28,63
604011 - LTI Benefits	46 463,38		46 463,38	
604020 - Benefits and education exo		437 345,00	-437 345,00	-100,00
604030 - Intracom Benefits and Studies		284 959,78	-284 959,78	-100,00
606110 - Electricity and gas supplies	2 298,74	6 256,96	-3 958,22	-63,26
606300 - Purchases of small equipment	1 927,95	1 854,83	73,12	3,94
606400 - Shopping office supplies	748,19	854,89	-106,70	-12,48
609800 -R.r.obtenus R.r.	-4,59		-4,59	
611000 - General outsourcing	9 363,96	7 866,00	1 497,96	19,04
613000 - Locations	600,00	423,00	177,00	41,84
613200 - Real estate rentals	27 760,70	72 577,63	-44 816,93	-61,75
614000 - Rental and condominium expenses	1 820,00	2 190,62	-370,62	-16,92
615200 - Real Estate Maintenance	8 099,68	6 320,26	1 779,42	28,15
615500 - Maintenance on personal property	33,25		33,25	
615600 - Maintenance	550,00	527,29	22,71	4,31
616000 - Insurance premiums	976,00	1 430,75	-454,75	-31,78
616100 - Multi-risk insurance	15 206,00	12 751,00	2 455,00	19,25
618500 - Conference, seminar expenses		3 388,00	-3 388,00	-100,00
622200 - Commissions and brokerages on a	1 897,08	1 457,75	439,33	30,14
622600 - Fee	21 000,00	19 600,00	1 400,00	7,14
622610 - Legal fees	31 650,50	26 356,00	5 294,50	20,09

 Detailed income statement

	01/01/19 to 31/12/19 12 months	01/01/18 to 31/12/18 12 months	Absolute change (amount)	Var. abs. (%)
622620 - CAC Fee	7 500,00	7 500,00		
622700 - Fee for deeds and litigation	1 747,21	1 240,88	506,33	40,80
622800 - Miscellaneousfee .	19 661,19	11 293,76	8 367,43	74,09
623100 - Advertisements and insertions	131,00	381,27	-250,27	-65,64
624100 - Purchasing Transport	212,83		212,83	
625500 - Costs and moving		1 684,37	-1 684,37	-100,00
625510 - Transportation	37 537,66	89 014,53	-51 476,87	-57,83
625520 - Restaurants	7 848,26	15 736,69	-7 888,43	-50,13
625530 - Hotels	43 452,04	77 328,18	-33 876,14	-43,81
625531 - Per diems	9 204,45		9 204,45	
625700 - Travel and reception expenses	2 711,15	30 316,18	-27 605,03	-91,06
626000 - Postal costs	473,60	943,99	-470,39	-49,83
626100 - Telecommunication fees	8 516,93	23 293,37	-14 776,44	-63,44
626110 - Internet charges	736,33		736,33	
626210 - Mobile phone charges	3 517,13	212,71	3 304,42	NS
627800 - Banking	2 356,60	5 026,46	-2 669,86	-53,12
628800 - Miscellaneous contributions	1 984,41	3 103,06	-1 118,65	-36,05
	1 028 402,68	2 308 627,21	-1 280 224,53	-55,45
Taxes, taxes and worms. Assim.				
631100 - Apprenticeship fee	-288,36	9 329,83	-9 618,19	-103,09
633300 - Continuing education (organization)	7 509,60	7 838,70	-329,10	-4,20
635100 - Land contribution of the entr.	975,00	983,00	-8,00	-0,81
635110 - Cvae	1 474,00	12 771,00	-11 297,00	-88,46
635420 - Tax stamps	628,00	807,00	-179,00	-22,18
635800 - Other rights	328,87		328,87	
	10 627,11	31 729,53	-21 102,42	-66,51
Wages and Treatments				
641100 - Gross Wages	1 165 342,99	1 182 832,07	-17 489,08	-1,48
641280 - Provision cp et rtt	87 667,11	66 385,54	21 281,57	32,06
641290 - Annul. provision paid leave	-66 385,54	-47 752,24	-18 633,30	39,02
641300 - Rewards and rewards	141 442,16	216 422,57	-74 980,41	-34,65
641380 - Premium provision	114 200,00	90 184,00	24 016,00	26,63
641390 - Annul.provision premiums No-1	-90 184,00	-160 000,00	69 816,00	-43,63
641400 - Miscellaneous benefits and benefits	14 865,87	6 590,50	8 275,37	125,57
641430 - Indremnities break convention		4 335,00	-4 335,00	-100,00
641440 - Redundancy Pay		5 898,39	-5 898,39	-100,00
641500 - Family Supplement	18,38		18,38	
	1 366 966,97	1 364 895,83	2 071,14	0,15
Social charges				
645100 - Contributions to the Urssaf	371 854,75	399 058,25	-27 203,50	-6,82
645200 - Pension contributions	14 402,53	14 380,45	22,08	0,15
645210 - Mutual	28 289,23	26 643,00	1 646,23	6,18
645300 - Pension contributions	130 871,39	142 781,61	-11 910,22	-8,34
645710 - Prov.charges /cp and rtt	37 995,04	29 042,88	8 952,16	30,82
645719 - Annul. prov. ch./paid leave	-29 042,88	-20 864,36	-8 178,52	39,20
645720 - Provision charges on premiums	48 344,00	56 813,00	-8 469,00	-14,91
645729 - Annul. prov. charges/premiums n-1	-56 813,00	-70 316,00	13 503,00	-19,20
645800 - Other organismcontributions. soc	261,31	247,37	13,94	5,64

 Detailed income statement

	01/01/19 to 31/12/19 12 months	01/01/18 to 31/12/18 12 months	Absolute change (amount)	Var. abs. (%)
647500 - Occupational Medicine and Pharmac.	2 195,00	2 280,00	-85,00	-3,73
647700 - Tickets restaurants	20 782,80	20 550,62	232,18	1,13
649100 - Competitiveness Tax Credit		-7 376,00	7 376,00	-100,00
	569 140,17	593 240,82	-24 100,65	-4,06
Amortization and provisions				
681120 - Dot. amort. . s/s/immobil. body..	2 939,95	4 037,72	-1 097,77	-27,19
681740 - Dot. prov. deprec. clt receivables	62 892,50		62 892,50	
	65 832,45	4 037,72	61 794,73	NS
Other charges				
654000 - Losses s/bad debts	5 528,30		5 528,30	
658000 - Day-to-day management expenses	22,42	115,44	-93,02	-80,58
	5 550,72	115,44	5 435,28	NS
Total operating expenses	3 046 520,10	4 302 646,55	-1 256 126,45	-29,19
OPERATING RESULTS	-473 255,68	-738 272,33	265 016,65	-35,90
Financial products				
768000 - Other financial products	45,19		45,19	
	45,19		45,19	
Financial expenses				
661500 - Interest current account deposit	18 292,22	12 545,56	5 746,66	45,81
661600 - Bank interest	1 489,11	1 892,30	-403,19	-21,31
	19 781,33	14 437,86	5 343,47	37,01
Financial result	-19 736,14	-14 437,86	-5 298,28	36,70
CURRENT RESULT	-492 991,82	-752 710,19	259 718,37	-34,50
Exceptional products				
771100 - Deeds and penalties collected	9 196,40		9 196,40	
771800 - Other pdts except. management	5 329,00	574,00	4 755,00	828,40
772000 - Proceeds from previous years		7 183,00	-7 183,00	-100,00
778800 - Miscellaneous Exceptional Products		4 600,12	-4 600,12	-100,00
	14 525,40	12 357,12	2 168,28	17,55
Exceptional expenses				
671200 - Penalties and fines		1 533,25	-1 533,25	-100,00
671800 - Other charges except. de gestio		269,44	-269,44	-100,00
		1 802,69	-1 802,69	-100,00
Exceptional result	14 525,40	10 554,43	3 970,97	37,62
Income taxes				
699000 - Products - back-carrying deficits		-144 344,00	144 344,00	-100,00
699850 - Withheld tax credit	96 533,97		96 533,97	
	96 533,97	-144 344,00	240 877,97	-166,88
RESULTS OF THE YEAR	-575 000,39	-597 811,76	22 811,37	-3,82

**RULETRONICS SYSTEMS
PRIVATE LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

Ruletronics Systems Private Limited

Directors' Report

Dear Members,

The Directors have pleasure in presenting their 6th Annual report and Audited Accounts for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS

(INR in Lakhs)

Particulars	2019-20	2018-19
Total Income	509.31	1174.72
Profit / (Loss) before Tax	(12.50)	375.58
Less : Provision for Tax	1.63	110.88
Net Profit / (Loss) after Tax	(14.13)	264.70
Add: Balance brought forward from previous year	331.37	66.67
Balance to be carried forward	317.23	331.37

2. STATE OF COMPANY AFFAIRS

The gross sales and other income for the financial year under review were Rs. 509.31 Lakhs as against Rs. 1174.72 Lakhs for the previous financial year registering a decrease of 57%. The Loss after tax including extraordinary and exceptional items was Rs. 14.13 Lakhs for the financial year under review as against profit of Rs. 264.70 Lakhs for the previous financial year.

3. CHANGE IN SHARE CAPITAL

During the year under review, there was no change in share capital of the Company.

4. CAPITAL EXPENDITURE

As at March 31, 2020, the gross fixed and intangible assets, stood at Rs. 51.21 Lakhs (previous year Rs. 51.73 Lakhs) and the net fixed and intangible assets, at Rs. 7.56 Lakhs (previous year Rs. 25.15 Lakhs) Capital Expenditure during the year amounted to Rs. 2.99 Lakhs.

5. DEPOSITS

During the year ended March 31, 2020, the Company has not accepted and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

6. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

The Company does not have any Subsidiary/ Associate/ Joint Venture Companies.

7. TRANSFER TO RESERVES

The Directors do not propose to transfer any amount to reserves during the period under review.

8. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

The Company has not given any loan, guarantees, security or made any investment during the financial year 2019-20 as specified under section 186 of Companies Act, 2013.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions entered with related parties during the financial year 2019-20 were in the ordinary course of business and at arm's length. Particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013, in FORM AOC-2 is attached as Annexure A.

10. DIVIDEND

With a view to improve the business performance and conserve financial resources, the Directors have not recommended dividend on equity shares for the financial year 2019-20.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

After March 31, 2020 and upto the date of this report, there has been no material changes and commitments affecting the financial positions of the Company except the following:

➤ Shifting of Registered Office from State of Andhra Pradesh to State of Maharashtra

The Company made an application with Regional Director, Hyderabad on March 21, 2020 for shifting the registered office of the Company from State of Andhra Pradesh to State of Maharashtra under the Registrar of Companies, Mumbai, for administrative convenience, effective management of compliances and ease of liaising with common regulatory authorities. As on the date of this report, approval of Regional Director is awaited on the said application.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information as per Rule 8 of the Companies (Accounts) Rules, 2014.

B. No technology has been developed and / or imported by way of foreign collaboration.

C. Foreign exchange earnings and outgo:

S.N	PARTICULARS	AMOUNT (Rs in Lakhs)	
		31 ST MARCH 2020	31 ST MARCH 2019
1	Earnings in Foreign Exchange during the year	280.12	430.11
2	Expenditure in Foreign Exchange during the year	-	-

13. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review, there has been no change in the Board of Directors of the Company. At the 5th Annual General Meeting held on July 19, 2019 appointment of Mr. Nachiket Deshpande and Mr. Kedar Krishna Gadgil as Directors of the Company, who were appointed as Additional Directors of the Company with effect from March 15, 2019, were regularized.

Mr. Anisetty Naveen Kumar, Director of the Company is retiring by rotation at the ensuing AGM of the Company and being eligible, offers himself for re-appointment. The details of Directors proposed to be appointed/re-appointed is given in the Notice convening the 6th AGM in 2020.

During the year under review there were no Key Managerial Personnel in the Company.

14. MEETINGS OF THE BOARD OF DIRECTORS

The Board Meetings were convened at appropriate intervals with a maximum time gap not exceeding more than 120 days between two consecutive meetings. During the year under review, five meetings of the Board of Directors of the Company were held on April 30, 2019, June 19, 2019, October 16, 2019, February 11, 2020 and March 18, 2020. Attendance of the Board members at these meeting is as under:

Name of Director	Category	No. of Meetings held during the year	No. of Meetings Attended
Mr. Nachiket Deshpande	Non-Executive Director	5	5
Mr. Anisetty Naveen Kumar	Non-Executive Director	5	5
Mr. Kedar Krishna Gadgil	Non-Executive Director	5	5

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

16. RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal. However, Larsen & Toubro Infotech Limited ('LTI'), holding company, has formulated a Risk Management Policy and the Company being wholly-owned subsidiary, is being covered by the Risk Management Policy of LTI.

17. STATUTORY AUDITOR

M/s. Meenavalli & Associates, Chartered Accountants, (Registration No. 012208S), were appointed as first Statutory Auditors of the Company and hold office upto the conclusion of 6th AGM of the Company to be held in 2020. The Board of Directors at their meeting held on May 8, 2020 have proposed re-appointment of M/s. Meenavalli & Associates as Statutory Auditors for a period of three years with effect from conclusion of 6th AGM upto the conclusion of 9th AGM to be held in the calendar year 2023.

The Auditor's Report on the audited Financial Statements of the Company for the year ended March 31, 2019 does not contain any qualification and therefore do not call for any comments from Directors. Further the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India ('ICAI') and hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

18. EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013 an extract of the Annual Return is attached as Annexure B.

19. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

20. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Directors wish to state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, the Policy for prevention of Sexual Harassment at Workplace of Larsen & Toubro Infotech Limited (parent company) complying with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, covers its subsidiaries including the Company.

21. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

22. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

23. ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, vendors, management of the Holding Company, Financial Institutions, Banks, Central and State Government authorities, and all the various other stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board of Directors

Date: May 8, 2020

Anisetty Naveen Kumar
Director
(DIN: 06931544)
Place : London, UK

Kedar Krishna Gadgil
Director
(DIN: 07224639)
Place : Mumbai, India

ANNEXURE – A**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Rs.)	Date(s) of approval by the Board	Amount paid as advances, if any: (Amount in Rs.)
Ruletronics Limited, UK	IT Consulting and Support Services	FY 2019-20	19,017,635	NA	Nil

For and on behalf of the Board of Directors

Anisetty Naveen Kumar
Director
(DIN: 06931544)
Place : London, UK

Kedar Krishna Gadgil
Director
(DIN: 07224639)
Place : Mumbai, India

Date: May 8, 2020

ANNEXURE -B**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]**i) REGISTRATION AND OTHER DETAILS:**

S.N.	Particulars	
1	CIN	U72200AP2014PTC094911
2	Registration Date	24/07/2014
3	Name of the Company	Ruletronics Systems Private Limited
4	Category/ Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office and contact details	24a-1611/2,46965, Dwaraka, Apartments 401, Allasani, Peddanna Street Eluru, Andhra Pradesh, India Tel: 040-29700286 Email: info@ruletronics.com
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

ii) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

S. N.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Software solutions	99831321	100.00

iii) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Larsen & Toubro Infotech Limited Add: L&T House, N. M. Marg, Ballard Estate, Mumbai- 400001	L72900MH1996PLC104693	Holding Company	100.00	2(46)

iv) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**a) Category-wise Share Holding**

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family*	0	1	1	0.00	0	1	1	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	509,999	509,999	100.00	0	509,999	509,999	100.00	0.00
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A1)	0	510,000	510,000	100.00	0	510,000	510,000	100.00	0.00
(2)	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A1 + A2)	0	510,000	510,000	100.00	0	510,000	510,000	100.00	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0
(b)	Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
(c)	Central Government	0	0	0	0	0	0	0	0	0
(d)	State Government(s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B1)	0	0	0	0	0	0	0	0	0
(2)	Non – Institutions	0	0	0	0	0	0	0	0	0
(a)	Individuals	0	0	0	0	0	0	0	0	0
	i) Individual Shareholders	0	0	0	0	0	0	0	0	0

	holding nominal Equity Share Capital up to Rs.1 Lakh									
	ii) Individual Shareholders holding nominal Equity Share Capital in excess of Rs.1 Lakh	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
(i)	Foreign Nationals	0	0	0	0	0	0	0	0	0
(ii)	Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(ii)	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
(iv)	Non Resident Indians (Non-Repat)	0	0	0	0	0	0	0	0	0
(v)	Clearing Member	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0
	Sub-total (B2)	0	0	0	0	0	0	0	0	0
	Total Public Shareholding (B) = (B1 + B2)	0	0	0	0	0	0	0	0	0
	TOTAL (A+B)	0	510,000	510,000	100.00	0	510,000	510,000	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	0	510,000	510,000	100.00	0	510,000	510,000	100.00	0.00

*Mr. Kedar Gadgil holds one equity share as a nominee of Larsen & Toubro Infotech Limited

b) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Larsen & Toubro Infotech Limited	509,999	100.00	0	509,999	100.00	0	0.00
2	Kedar Gadgil*	1	0.00	0	1	0.00	0	0.00
	Total	510,000	100.00	0.00	510,000	100.00	0.00	0.00

*Mr. Kedar Gadgil holds one equity share as a nominee of Larsen & Toubro Infotech Limited

c) Change in Promoters' Shareholding: NOT APPLICABLE

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	Kedar Krishna Gadgil		1	0.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	-	-	-	-	1	0.00
	At the end of the year		-	-	-	1	0.00

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	-	6,000,000	-	6,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	6,000,000	-	6,000,000
Change in Indebtedness during the financial year:				
• Addition	-	24,146,564	-	24,146,564
• Reduction	-	2,500,000	-	2,500,000
Net Change	-	21,646,564	-	21,646,564
Indebtedness at the end of the financial year:				
i) Principal Amount	-	26,200,000	-	26,200,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,446,564	-	1,446,564
Total (i+ii+iii)	-	27,646,564	-	27,646,564

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (DURING THE FINANCIAL YEAR 2019-20)

viii) Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager: NOT APPLICABLE

ix) Remuneration to other Directors:

(S. N.)	Particulars of Remuneration	Fee for attending Board Meetings	Commission	Total Amount
	Non-Executive Directors			
1	Mr. Anisetty Naveen Kumar	0	0	0
2	Mr. Nachiket Deshpande	0	0	0
3	Mr. Kedar Gadgil	0	0	0
	Total Remuneration	0	0	0

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: NOT APPLICABLE

viii) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board of Directors

Date: May 8, 2020

Anisetty Naveen Kumar
Director
(DIN: 06931544)
Place : London, UK

Kedar Krishna Gadgil
Director
(DIN: 07224639)
Place : Mumbai, India

INDEPENDENT AUDITOR'S REPORT

To the Members of RULETRONICS SYSTEMS PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the financial statements of M/s. RULETRONICS SYSTEMS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, and statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the **Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS")** and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Financial Statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the **Company's ability to continue as a going concern**, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the **Company's financial reporting process**.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue **an auditor's report that includes our opinion**. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- **Conclude on the appropriateness of management's use of the going concern basis of accounting** and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the **Company's ability to continue as a going concern**. If we conclude that a material uncertainty exists, **we are required to draw attention in our auditor's report to the related disclosures in the financial statements** or, if such disclosures are inadequate, to modify our opinion. Our **conclusions are based on the audit evidence obtained up to the date of our auditor's report**. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. **With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

To the best of our information and according to the explanations given to us, No remuneration was paid by the Company to its directors during the year.

- 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 Auditors) Rules, 2014, in our opinion and to**

the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and protection Fund by the Company.

For Meenavalli & Associates
Chartered Accountants
FRN: 012208S

CA.M.Machar Rao
Partner
M.No: 218836

Place: Hyderabad
Date: 8th **May**'20

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **RULETRONICS SYSTEMS PRIVATE LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **RULETRONICS SYSTEMS PRIVATE LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 authorizations 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.

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For Meenavalli & Associates

Chartered Accountants
FRN: 012208S

CA.M.Machar Rao
Partner
M.No:218836

Place: Hyderabad
Date: 8th May'20

Annexure B to the Auditors' Report –

(Referred to in paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Member of **RULETRONICS SYSTEMS PRIVATE LIMITED of even date**)

- i. In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company.
- ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loan, secured or unsecured, to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, Paragraph 3(iii) of the order is not applicable to the company.
- iv. The Company has made no investments, loans, guarantees and security. Therefore, Section 185 and 186 of the Companies Act, 2013 is not applicable to the Company.
- v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3(v) of the order is not applicable to the company
- vi. The maintenance of the cost record has not been specified by the Central Government under section 148(1) of the companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the company.

- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, value added tax, Goods and Services Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b. According to the information and explanations given to us, the company has no disputed amount payable in respect of Provident Fund, Employees' State Insurance, Income tax, sales tax, service tax, Goods and Services Tax and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they become payable.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act. Reporting under clause 3(xi) is not applicable for this company, as the company did not pay any remuneration during the relevant financial year.
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Meenavalli & Associates
Chartered Accountants
FRN: 012208S

CA.M.Machar Rao
Partner
M.No: 218836

Place: Hyderabad
Date: 8th May'20

RULETRONICS SYSTEMS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	As at March 31, 2020	As at March 31, 2019
		Amount (INR)	Amount (INR)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	755,576	2,426,128
(b) Other Intangible assets	1	-	89,117
(c) Financial Assets			
(i) Loans	2	-	25,000
(d) Deferred Tax Assets(Net)	3	1,257,930	
Total Non-Current Assets		2,013,506	2,540,245
Current assets			
(a) Financial Assets			
(i) Trade receivable	4	38,202,629	27,604,748
(ii) Unbilled Revenue	5	33,186,014	23,436,719
(iii) Cash and Cash Equivalents	6	488,967	2,127,652
(iv) Other bank balances	7	2,798,617	2,595,449
(b) Other current assets	8	530,495	1,162,088
Total Current Assets		75,206,722	56,926,656
TOTAL ASSETS		77,220,228	59,466,901
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	5,100,000	5,100,000
(b) Other Equity			
(i) Retained Earnings	10	31,723,339	33,136,737
Total Equity		36,823,339	38,236,737
Liabilities			
Non-current liabilities			
(a) Deferred tax liabilities (net)	11	-	209,494
Total Non-Current Liabilities		-	209,494
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	27,646,564	6,000,000
(ii) Trade Payables			
Due to Micro medium & Small Enterprises			
Due to others	13	6,812,349	6,361,341
(iii) Other Financial Liabilities	14	5,086,830	29,999
(b) Other Current Liabilities	15	315,372	768,262
(c) Current income tax Liabilities (Net)	16	535,774	7,861,068
Total Current Liabilities		40,396,889	21,020,670
TOTAL EQUITY AND LIABILITIES		77,220,228	59,466,901

Notes referred to above form an integral part of Balance sheet

As per our report of even date attached.

For MEENAVALLI & ASSOCIATES

Chartered Accountants

ICAI Firm Reg.No.0122085

CA M Machar Rao

Partner

M.No.218836

Place: Hyderabad

Date: 08/05/2020

For and on Behalf of the Board

NAVEEN KUMAR ANISETTY

Director

(DIN : 06931544)

London, UK

KEDAR KRISHNA GADGIL

Director

(DIN : 07224639)

Mumbai , India

RULETRONICS SYSTEMS PRIVATE LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020**

Particulars	Note	2019-20	2018-19
		Amount (INR)	Amount (INR)
Total Income:			
Revenue from Operations	17	50,270,020	118,206,933
Other Income	18	661,391	(734,676)
		50,931,411	117,472,257
Expenses:			
Employee Benefit Expense	19	38,584,298	62,731,170
Operating expenses	20	7,755,885	8,209,029
Finance costs	21	2,367,504	-
Depreciation and Amortisation	1	1,852,559	1,350,323
Other expenses	22	1,621,632	7,623,741
Total Expenses		52,181,878	79,914,263
Profit before tax		(1,250,467)	37,557,994
Tax expense			
Current tax (net)		1,630,355	11,097,145
Deferred tax		(1,467,424)	(9,037)
		162,931	11,088,108
Profit after tax		(1,413,398)	26,469,886
NET PROFIT FOR THE YEAR		(1,413,398)	26,469,886
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,413,398)	26,469,886

Notes referred to above form an integral part of Profit & Loss Account

As per our report of even date attached.

For and on Behalf of the Board

For MEENAVALI & ASSOCIATES

Chartered Accountants

ICAI Firm Reg.No.012208S

NAVEEN KUMAR ANISETTY

Director

(DIN : 06931544)

London, UK

CA M Machar Rao

Partner

M.No.218836

Place: Hyderabad

Date: 08/05/2020

KEDAR KRISHNA GADGIL

Director

(DIN : 07224639)

Mumbai , India

RULETRONICS SYSTEMS PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2020		
Particulars	2019-20 INR	2018-19 INR
A. Cash flow from operating activities		
Net profit before tax	(1,250,467)	37,557,994
Adjustments for:		
Depreciation and amortisation	1,852,559	1,350,323
Interest received	(225,742)	(156,054)
Interest expense	1,446,564	
Net Loss/(Gain) on disposal of property, plant and equipment	145,764	
Operating profit before working capital changes	1,968,678	38,752,263
Changes in working capital		
(Increase)/decrease in trade receivables and unbilled revenue	(20,322,176)	(40,761,456)
(Increase)/decrease in other receivables	631,593	(167,409)
Increase/(decrease) in trade & other payables	(2,270,345)	7,310,828
(Increase)/decrease in working capital	(21,960,928)	(33,618,037)
Cash generated from/(used in) operations	(19,992,250)	5,134,225
Direct taxes paid	(1,630,355)	(11,097,145)
Net cash from operating activities	(21,622,605)	(5,962,920)
B. Cash flow from investing activities		
Purchase of fixed assets	(299,494)	(1,595,882)
Sale of fixed assets	60,840	
Interest received	225,742	156,054
Gain on buyback by subsidiary	-	-
Net cash used in/(generated from) investing activities	(12,912)	(1,439,828)
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	5,000,000
Proceeds from/(repayment) of borrowings	21,646,564	6,000,000
Interest paid	(1,446,564)	
Net cash from financing activities	20,200,000	11,000,000
Net increase in cash and cash equivalents	(1,435,517)	3,597,252
Opening Cash and cash equivalents	4,723,101	1,125,847
Increase in Cash and Cash Equivalents due to previous year adjustments	-	
Closing Cash and cash equivalents	3,287,584	4,723,100

Notes referred to above form an integral part of Profit & Loss Account

As per our report of even date attached.

For MEENAVALLI & ASSOCIATES

Chartered Accountants

ICAI Firm Reg.No.012208S

CA M Machar Rao

Partner

M.No.218836

Place: Hyderabad

Date: 08/05/2020

For and on Behalf of the Board

NAVEEN KUMAR ANISETTY

Director

(DIN : 06931544)

London, UK

KEDAR KRISHNA GADGIL

Director

(DIN : 07224639)

Mumbai , India

RULETRONICS SYSTEMS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Particulars	INR		
	Share Capital	Retained Earnings	Total Equity
Balance as on April 1, 2019	5,100,000	33,136,737	38,236,737
Net Profit for the year		(1,413,398)	(1,413,398)
Other changes/ Trf to general reserve.			-
Balance as on March 31, 2020	5,100,000	31,723,339	36,823,339

As per our report of even date attached.

For MEENAVALLI & ASSOCIATES

Chartered Accountants

ICAI Firm Reg.No.012208S

CA M Machar Rao

Partner

M.No.218836

Place: Hyderabad

Date: 08/05/2020

For and on Behalf of the Board

NAVEEN KUMAR ANISETTY

Director

(DIN : 06931544)

London, UK

KEDAR KRISHNA GADGIL

Director

(DIN : 07224639)

Mumbai , India

RULETRONICS SYSTEMS PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

1. Property, Plant & Equipment

Fixed and Intangible Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1- April-19	Additions	Deductions	As at 31-March-20	As at 1- April-19	For the period	On Deductions	As at 31-March-20	As at 31-March-20	As at 31-March-19
Tangible Assets										
Computers	4,916,897	299,494	95,086	5,121,305	2,610,841	1,789,134	34,246	4,365,729	755,576	2,306,056
Office equipments	156,166		156,166	-	36,094	18,744	54,838	-	-	120,072
Total of tangible assets	5,073,063	299,494	251,252	5,121,305	2,646,935	1,807,878	89,084	4,365,729	755,576	2,426,128
Total of tangible assets (P.Y.)	3,577,208	1,495,855	-	5,073,063	1,307,522	1,339,413	-	2,646,935	2,426,128	2,269,686
Intangible assets										
Software	100,027		100,027	-	10,910	44,681	55,591	-	-	89,117
Total of intangible assets	100,027	-	100,027	-	10,910	44,681	55,591	-	-	89,117
Total of intangible assets (P.Y.)	-	100,027	-	100,027	-	10,910	-	10,910	89,117	-
								Rupees	755,576	2,515,245

RULETRONICS SYSTEMS PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

2	Non- Current Assets	As at March 31, 2020	As at March 31, 2019
		INR	INR
	Loans		
	Security Deposits		
	-Considered good - Secured		
	-Considered good - Unsecured	-	25,000
		-	25,000
3	Deferred tax Asset	As at March 31, 2020	As at March 31, 2019
		INR	INR
	MAT Credit		
	Less: Deferred Tax liability		
	Deferred tax Asset	1,257,930	-
		1,257,930	-
4	Trade receivables	As at March 31, 2020	As at March 31, 2019
		INR	INR
	Considered good - Secured		
	Considered good - Unsecured		
	-Due from holding company	58,717	-
	- Others	39,039,431	28,169,041
	Less : Allowance as per ECL matrix	(895,519)	(564,293)
		38,202,629	27,604,748
5	Unbilled Revenue	As at March 31, 2020	As at March 31, 2019
		INR	INR
	Unbilled Revenue	33,186,014	23,436,719
		33,186,014	23,436,719
6	Cash & Cash Equivalent	As at March 31, 2020	As at March 31, 2019
		Rupees	Rupees
	Cash on hand	17,530	256,587
	Balances with Bank		
	- in current accounts		
	Domestic	471,439	1,871,066
		488,969	2,127,653
7	Other Bank Balance	As at March 31, 2020	As at March 31, 2019
		Rupees	Rupees
	Cash and bank balance not available for immediate use	2,798,617	2,595,449
		2,798,617	2,595,449
8	Other Current Assets	As at March 31, 2020	As at March 31, 2019
		Rupees	Rupees
	Advances recoverable in cash or in kind	(113,205)	190,058
	Prepaid Expenses	643,700	972,030
	Total	530,495	1,162,088

RULETRONICS SYSTEMS PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

9 Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	INR	No. of shares	INR
Authorised : 10,00,000 Ordinary shares of Rs. 10/- each	1,000,000	10,000,000	10,000	100,000
Issued, paid up and subscribed 5,10,000 Ordinary shares of Rs. 10/- each	510,000	5,100,000	10,000	100,000
	510,000	5,100,000	10,000	100,000

II) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	INR	No. of shares	INR
At the beginning of the year	510,000	5,100,000	10,000	100,000
Issued during the year as fully paid up	-	-	500,000	5,000,000
At the end of the year	510,000	5,100,000	510,000	5,100,000

III) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share.

IV) Shareholders holding more than 5% of equity shares as at the end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of Shares	No. of shares	% of Shares
L & T Infotech Limited	509,999	100.00%	509,999	100.00%
	510,000	100.00%	509,999	100.00%

RULETRONICS SYSTEMS PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

10 Other Equity	As at March 31, 2020	As at March 31, 2019	
	INR	INR	
	Retained Earnings		
	Profit and loss account		
Opening balance	33,136,737	6,666,851	
Add: Profit for the year	(1,413,398)	26,469,886	
Balance to be carried forward	31,723,339	33,136,737	
11 Deferred tax liabilities	As at March 31, 2020	As at March 31, 2019	
	INR	INR	
	Deferred Tax Liability	209,494	
Total	-	209,494	
12 Current Borrowings	As at March 31, 2020	As at March 31, 2019	
	INR	INR	
	Financial Liabilities		
	Unsecured loans		
Unsecured Loan from Holding Company	27,646,564	6,000,000	
Total	27,646,564	6,000,000	
13 Trade Payable	As at March 31, 2020	As at March 31, 2019	
	INR	INR	
	Due to fellow subsidiaries	3,097,232	4,568,134
	Due to others	354,017	1,349,208
Accrued Expenses	3,361,100	444,000	
Total	6,812,349	6,361,341	
14 Other Financial Liabilities	As at March 31, 2020	As at March 31, 2019	
	INR	INR	
	Liabilities for Employee benefits	5,086,830	29,999
	5,086,830	29,999	
15 Other Current Liabilities	As at March 31, 2020	As at March 31, 2019	
	INR	INR	
	Other payables	315,372	768,262
	315,372	768,262	
16 Tax Liabilities	As at March 31, 2020	As at March 31, 2019	
	INR	INR	
	Current Tax liabilities	535,774	7,861,068
	535,774	7,861,068	

RULETRONICS SYSTEMS PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

17 Revenue from Operations	2019-20	2018-19
	INR	INR
Sale of Services	50,270,020	118,206,933
	50,270,020	118,206,933

18 Other Income	2019-20	2018-19
	INR	INR
Profit/(Loss) on sale of fixed assets	(145,764)	-
Interest received	225,742	156,054
Foreign Exchange Gain/(Loss)	-	(890,730)
Miscellaneous income	581,413	-
	661,391	(734,676)

19 Employee Benefit Expense	2019-20	2018-19
	INR	INR
Salaries including overseas staff expenses	36,777,545	59,882,997
Staff welfare	243,396	208,340
Contribution to provident and other funds	1,563,357	2,639,833
	38,584,298	62,731,170

20 Operating expenses	2019-20	2018-19
	INR	INR
Travelling and conveyance	654,328	1,498,723
Consultancy charges	2,964,000	-
Rent and establishment expenses	1,216,040	2,169,060
Telephone charges and postage	855,672	121,670
Advertisement	20,000	14,213
Recruitment expenses	622,750	91,000
Repairs and Maintenance	531,201	1,025,883
Power and fuel	228,051	308,468
Insurance charges	2,832	12,780
Rates and taxes	93,268	98,113
Allowance for doubtful debts and advances	470,636	716,441
Bad debts	-	1,636,128
Less : Provision written back	-	-
Miscellaneous expenses	97,108	516,550
Customer Settlement Expenses	-	-
	7,755,885	8,209,029

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020**

21	Finance Cost	2019-20	2018-19
		INR	INR
	Int Paid on EPC / Others	2,367,504	-
		2,367,504	-
22	Other expenses	2019-20	2018-19
		INR	INR
	Legal and Professional Charges	1,155,793	7,596,262
	Other miscellaneous expenses	465,839	27,479
		1,621,632	7,623,741

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****A1 Corporate Information**

Ruletronics Systems Private Limited ("the Company") is a wholly owned subsidiary by Larsen & Toubro Infotech Limited from February 1, 2019. The Company provides IT consultancy and support service specializing in Pega solutions.

A2 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. 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

A3 Significant Accounting Policies**a. Basis of accounting**

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. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards Amendment) Rules, 2016 and Companies (Indian Accounting Standards Amendment) Rules 2017.

Amount in financial statements are presented in Indian INR as permitted by schedule III to the companies Act, 2013

b. Presentation of financial statements

The statement of financial position and the statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

c. Property, plant and equipment

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed.

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****d. Intangible assets**

Computer softwares are stated at cost less accumulated depreciation, amortisation and impairment.
As a process of takeover, Intangible Software were of negligible value to the Parent Company and hence written off.

e. Depreciation**i) Tangible assets**

Depreciation on assets have been provided as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortisation on addition and disposal are calculated on pro-rata basis from and to the month of additions and disposal.

Sl No.	Particulars	Useful Life
1	Computer and IT Peripherals	Upto 3 years
2	Plant and Machinery	Upto 10 years
3	Office Equipment	Upto 10 years
4	Furniture and Fixtures	Upto 10 years

ii) Intangible assets

the estimated useful life of an identifiable intangible asset is based on the number of factors including the effects of obsolescence, demand, competition and other economic factor and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

Sl No.	Particulars	Useful Life
1	Computer Software	Upto 3 years

f. Functional and presentation currency

The functional and presentation currency of the company is the Indian Rupee as it is the currency of primary economic environment in which the company operates.

g. Foreign currency transactions and balances

Foreign currency transactions are initially recorded at the rates prevailing on the date of transaction. At the balance sheet date, foreign currency monetary item are reported using the closing rate.

h. Impairment of Assets

As at each balance sheet date, assets are tested for impairment so as to determine, the provision for impairment loss, if any, and the reversal of impairment loss recognised in previous periods, if any.

An impairment loss, if any, is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

i. Current and Non-current classification

An asset or a liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realized/settled, or is intended for sale or consumption, in the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realized/due to be settled within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
- v. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****j. Income Tax**Current tax

The current income tax charge is calculated on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act 1961, any amendments / rules that have been enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k. LeasesOperating Lease:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Lease rentals are charged to the profit and loss account on accrual basis.

The company after assessing the impacts of "INDAS 116 - Leases" have concluded that all the lease agreement fall under short term lease agreements & hence it does not have any impact on financials.

l. Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assetsInitial recognition and measurement

The Company classifies its investments and financial assets in the following measurement categories:

- those to be measured at cost (investment in subsidiaries)
- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured subsequently at fair value through profit and loss

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value of those financial assets.

Subsequent measurement

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

ii) Financial liabilitiesInitial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities on the basis of the operating cycle of the Company.

Subsequent measurement

Fair value through profit or loss (FVTPL): Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. All changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****m. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks.

n. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from contracts priced on time and material basis is recognised when services are rendered and related costs are incurred.

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers".

o. Other Income

- I) Interest income is accrued at applicable interest rate.
- II) Dividend income is accounted in the period in which the right to receive the same is established.
- III) Other items of income are accounted as and when the right to receive arises.

p. Employee benefits**i) Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

ii) Post Employment Benefits**Defined contribution plan**

The company's state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

q. Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- I) the Company has a present obligation as a result of a past event;
- II) a probable outflow of resources is expected to settle the obligation; and
- III) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

r. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements").

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****A4 Dues to micro enterprises and small enterprises**

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier and vendors of the company. Based on the information available with the Company, as at the year end, no vendors are classified as MSMED.

A5 Disclosure of Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"**a) List of related parties**

Holding Company :	Larsen & Toubro Infotech Limited (Since February 1, 2019)		
LTI Subsidiaries:	Larsen & Toubro Infotech GmbH (LTI GmbH)		
	Larsen & Toubro Infotech Canada Limited		
	Larsen & Toubro Infotech LLC		
	L&T Infotech Financial Services Technologies Inc.		
	Larsen & Toubro Infotech South Africa (Pty) Limited		
	L&T Information Technology Services (Shanghai) Co. Ltd		
	Larsen & Toubro Infotech Austria GmbH		
	L&T Information Technology Spain, SL		
	L&T Infotech S.de. RL. C.V		
	Larsen & Toubro Infotech Norge AS		
	Syncordis Software Services India Private Limited		
	Syncordis S.A. Luxembourg		
	Syncordis SARL, France		
	Syncordis Limited, UK		
	Syncordis PSF S.A.		
	Ruletronics Limited , UK		
	Ruletronics Systems Inc, US		
	Nielsen + Partner Unternehmensberater GmbH, Germany		
	Nielsen + Partner SA, Luxembourg		
	Nielsen + Partner Unternehmensberater AG, Switzerland		
	Nielsen + Partner Pte Ltd, Singapore		
	Nielsen & Partner Pty Ltd, Australia		
	Nielsen + Partner Co Ltd, Thailand		
	Lymbyc Solutions Private Limited		
	Lymbyc Solutions Inc		
	PowerupCloud Technologies Private Limited		
Key Managerial Persons:	Naveen Kumar Anisetty		
Company exercising significant influence :	Larsen & Toubro Infotech Limited		
	Particulars	2019-20 INR	2018-19 INR
	Rendering IT and Support services and Others		
	Ruletronics Limited, UK	19,017,635	27,118,261
	Ruletronics Systems Inc, US	4,087,756	11,391,883
	L&T Infotech	747,638	-
	Debit Note by LTI for Legal Charges	14,160	-
	Debit Note by L&T- ROC Charges	30,680	-
	Transfer of Asstes to LTI	60,840	-
	Provision for expenses- LTI	2,964,000	-

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****b) Amount due to and due from related parties(net):**

Particulars	Amounts due (to)/from	
	March 31, 2020	March 31, 2019
Larsen & Toubro Infotech Limited- Outstanding Loan & Interest	(27,646,564)	(6,000,000)
Larsen & Toubro Infotech Limited	58,717	-
Ruletronics Limited, UK	(1,402,453)	(3,607,829)
Ruletronics Systems Inc, US	(1,694,781)	(960,305)

c) Terms and conditions of transactions with related parties:

- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Loan from parent is taken at 7% rate of interest while other trade outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash
- There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- d)** No amount of due from related parties has been written off during the year (Previous year ` Nil). No amount due to related parties has been written back during the year (Previous year ` nil). For the year ended March 31, 2020, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2019 : ` Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

A6 Deferred Tax Asset/Liability

Income Taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability after considering tax allowances and exemptions. The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax asset or deferred tax liability is recorded for the timing differences.

Major components of Deferred tax liabilities and assets

Particulars	As at	As at
	31-March-2020	31-March-2019
	INR	INR
a) WDV of Assets	1,257,930	(209,494)
Net Deferred Tax Assets/ (Liabilities)	1,257,930	(209,494)

RULETRONICS SYSTEMS PRIVATE LIMITED**Notes accompanying the Financial Statements for the year ended March 31, 2020****A7 Disclosure pursuant to Ind AS 33 "Earnings per share"**

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars		2019-20	2018-19
		INR	INR
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating	A	(1,413,398)	26,469,886
Weighted average number of equity shares outstanding for calculating basic	B	510,000	510,000
Basic and diluted earnings per equity share (₹)	A / B	(2.77)	51.90
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating	A	-1,413,398	26,469,886
Add : Interest on convertibles (net of tax)	B	-	-
Profit for the year attributable to owners of the Company for the calculating	C = A+B	-1,413,398	26,469,886
Weighted average number of equity shares outstanding for calculating basic	D	510,000	510,000
Add : Shares deemed to be issued for no consideration in respect of :	E	-	-
Compulsorily convertible preference share capital	F	-	-
Compulsorily convertible debentures	G	-	-
Weighted average number of equity shares outstanding for calculating	H = D + E	510,000	510,000
Diluted earnings per equity share (₹)		(2.77)	51.90
Face value per equity share (₹)		10.00	10.00

RULETRONICS SYSTEMS PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

A8 Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2020			31.03.2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Security Deposits	2	-	-	-	-	-	25,000
Trade receivables	4	-	-	38,202,629	-	-	27,604,748
Unbilled Revenue	5	-	-	33,186,014	-	-	23,436,719
Cash and cash equivalents	6	-	-	488,969	-	-	2,127,653
Other Bank Balances	7	-	-	2,798,617	-	-	2,595,449
Total Financial Asset		-	-	74,676,230	-	-	55,789,569
Financial liability							
Loans from related parties	12	-	-	27,646,564	-	-	6,000,000
Trade Payables	13	-	-	6,812,349	-	-	6,361,341
Other Financial Liabilities	14	-	-	5,086,830	-	-	29,999
Total Financial Liabilities		-	-	39,545,743	-	-	12,391,340

RULETRONICS SYSTEMS PRIVATE LIMITED

Notes accompanying the Financial Statements for the year ended March 31, 2020

A9 Disclosure pursuant to Ind AS 12 - "Income taxes"

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Accounting profit before tax	(1,250,467)	37,557,994
Applicable tax rate	25.17%	27.82%
Profit before tax * Applicable tax rate	(314,742)	10,448,634
Net effect of Allowable and Disallowable expenses	1,945,097	648,511
Effect of Deferred Taxes	(1,467,424)	(9,037)
Income tax expense reported in the statement of profit and loss	162,931	11,088,108

A10 Events occurring after the reporting period

The financial statements were approved by the Board of Directors on May 8th, 2020 and there are no significant events occurring after Balance sheet date.

A11 Investor Education and Protection Fund

The Company is not required to transfer any amount to Investor Education and Protection Fund.

As per our report attached
For MEENAVALI & ASSOCIATES
 Chartered Accountants
 ICAI Firm Reg.No.012208S

CA M Machar Rao
 Partner
 M.No.218836

Place: Hyderabad
 Date: 08/05/2020

For and on Behalf of the Board

NAVEEN KUMAR ANISETTY
 Director
 (DIN : 06931544)
 London, UK

KEDAR KRISHNA GADGIL
 Director
 (DIN : 07224639)
 Mumbai , India

RULETRONICS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 29, 2020

RULETRONICS LIMITED

COMPANY INFORMATION
for the year ended 29th February 2020

DIRECTORS:

N K Anisetty
S Chaturvedi
N Deshpande

REGISTERED OFFICE:

43 West Parkside
London
SE10 0QG

REGISTERED NUMBER:

07946822 (England and Wales)

AUDITORS:

Cameron Baum Hollander Limited
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

RULETRONICS LIMITED (REGISTERED NUMBER: 07946822)REPORT OF THE DIRECTORS
for the year ended 29th February 2020

The directors present their report with the financial statements of the company for the year ended 29th February 2020.

DIRECTORS

N K Anisetty has held office during the whole of the period from 1st March 2019 to the date of this report.

Other changes in directors holding office are as follows:

S Chaturvedi - appointed 15th March 2019
N Deshpande - appointed 15th March 2019
Mrs M P K Surisetty - resigned 15th March 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cameron Baum Hollander Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Naveen Anisetty

.....
N K Anisetty - Director

14/5/2020

Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RULETRONICS LIMITED

Opinion

We have audited the financial statements of Ruletronics Limited (the 'company') for the year ended 29th February 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29th February 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RULETRONICS LIMITED

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Baum

Daniel Baum (Senior Statutory Auditor)
for and on behalf of Cameron Baum Hollander Limited
Chartered Accountants
Statutory Auditor
88 Crawford Street
London
W1H 2EJ

14 May 2020

Date:

RULETRONICS LIMITED (REGISTERED NUMBER: 07946822)INCOME STATEMENT
for the year ended 29th February 2020

	Notes	2020 £	2019 £
TURNOVER		2,573,201	2,593,362
Cost of sales		744,168	904,592
GROSS PROFIT		1,829,033	1,688,770
Administrative expenses		1,693,182	1,118,682
OPERATING PROFIT	4	135,851	570,088
Interest payable and similar expenses		-	180
PROFIT BEFORE TAXATION		135,851	569,908
Tax on profit		25,812	108,283
PROFIT FOR THE FINANCIAL YEAR		110,039	461,625

The notes form part of these financial statements

RULETRONICS LIMITED (REGISTERED NUMBER: 07946822)

BALANCE SHEET
29th February 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	5		7,606		8,116
CURRENT ASSETS					
Debtors	6	881,469		760,706	
Cash at bank		530,008		446,538	
		<u>1,411,477</u>		<u>1,207,244</u>	
CREDITORS					
Amounts falling due within one year	7	600,329		506,645	
NET CURRENT ASSETS			<u>811,148</u>		<u>700,599</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>818,754</u>		<u>708,715</u>
CAPITAL AND RESERVES					
Called up share capital			200		200
Retained earnings			818,554		708,515
			<u>818,754</u>		<u>708,715</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 14/5/2020 and were signed on its behalf by:

Naveen Anisetty

.....
N K Anisetty - Director

The notes form part of these financial statements

RULETRONICS LIMITED (REGISTERED NUMBER: 07946822)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29th February 2020

1. STATUTORY INFORMATION

Ruletronics Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements are prepared in UK Pound Sterling, which is the functional currency of the company.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, for the sale of goods and services in the normal course of business, net of discounts, rebates and value added taxes.

Income is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Fixtures and fittings, and computer equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of computer equipment costs less their residual values over their useful lives, using the straight line method over a three year period.

The company's policy is to review the remaining useful economic lives and residual values of fixtures and fittings, and computer equipment on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic life and residual value.

Fully depreciated fixtures and fittings, and computer equipment are retained in the cost of the assets and related accumulated depreciation until they are removed from service. In case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the profit and loss account.

Assets not carried at fair value are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and risks inherent in the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

RULETRONICS LIMITED (REGISTERED NUMBER: 07946822)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 29th February 2020

2. ACCOUNTING POLICIES - continued

Foreign currencies

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Sterling, which is the company's functional and presentation currency and is denoted by the symbol "£".

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents and all other foreign exchange gains and losses are presented in the profit and loss account within 'Foreign exchange losses or gains'.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

Employee benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit and loss in the period to which they relate.

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits:

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual bonus plans:

The company recognises a provision and an expense for bonuses where the company has a legal or constructive obligation as a result of past events and a reliable estimate can be made.

Defined contribution pension plans:

The company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 18 (2019 - 18).

4. OPERATING PROFIT

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	3,110	2,120
	<u> </u>	<u> </u>

RULETRONICS LIMITED (REGISTERED NUMBER: 07946822)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 29th February 2020

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1st March 2019	11,919
Additions	2,600
	<hr/>
At 29th February 2020	14,519
	<hr/>
DEPRECIATION	
At 1st March 2019	3,803
Charge for year	3,110
	<hr/>
At 29th February 2020	6,913
	<hr/>
NET BOOK VALUE	
At 29th February 2020	7,606
	<hr/> <hr/>
At 28th February 2019	8,116
	<hr/> <hr/>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	634,316	674,308
Amounts owed by participating interests	-	10,100
Other debtors	247,153	76,298
	<hr/>	<hr/>
	881,469	760,706
	<hr/> <hr/>	<hr/> <hr/>

Trade Debtors in the 2019 accounts were shown as due After more than One Year, but the comparatives have been amended to correctly show them as due Within One Year.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	262,406	133,825
Taxation and social security	178,433	317,612
Other creditors	159,490	55,208
	<hr/>	<hr/>
	600,329	506,645
	<hr/> <hr/>	<hr/> <hr/>

8. ULTIMATE PARENT COMPANY

FRS 102 (1A) 1AC34, requires the name of the controlling party of the 'smallest group' for consolidation and in this case it is the ultimate parent company, Larsen and Toubro Infotech Limited, incorporated in India, whose Registered Office is L&T House, Ballard Estate, Mumbai, Maharashtra, India.

RULETRONICS SYSTEMS INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019



SGC & Associates LLP
Certified Public Accountants

63 Cuttermill Road
Great Neck, NY 11021
Tel – (516)-504-0110
Fax – (516)-706-0149

Independent Auditor’s Report

To Ruletronics Systems, Inc.

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Ruletronics Systems, Inc. which comprise the balance sheet as of December 31, 2019, and the related statements of income, comprehensive income, and changes in equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SGC & Associates LLP
Certified Public Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ruletronics Systems, Inc. as of December 31, 2019, and the results of its operations, changes in equity and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

sgc & associates llp

Great Neck NY

May 1, 2020

RULETRONICS SYSTEMS, INC.**BALANCE SHEET****AS AT DECEMBER 31, 2019****ASSETS**

Current assets	<u>Note No.</u>	
Cash and cash equivalents		\$ 118,621
Accounts receivable, net	3	536,486
Due from related party	7	<u>63,840</u>
Total current assets		718,947
Property and equipment	4	3,690
Other assets	5	<u>1,200</u>
Total assets		<u>\$ 723,837</u>

LIABILITIES AND EQUITY

Current liabilities		
Accounts payable		\$ 53,261
Due to related party	7	27,392
Accrued expenses and other current liabilities		27,249
Loan payable	7	<u>229,757</u>
Total current liabilities		<u>337,659</u>
Total liabilities		<u>\$ 337,659</u>
Equity		<u>386,178</u>
Total equity		<u>386,178</u>
Total liabilities and equity		<u>\$ 723,837</u>

See Notes to Financial Statements

RULETRONICS SYSTEMS, INC.**STATEMENT OF INCOME, COMPREHENSIVE INCOME, AND CHANGES IN
EQUITY****YEAR ENDED DECEMBER 31, 2019**

Sales	<u>Note No.</u>	
Net Sales		\$ 2,243,941
Total operating revenue		<u>2,243,941</u>
Operating expenses		<u>2,275,287</u>
Total operating expenses		<u>2,275,287</u>
Operating income		<u>(31,346)</u>
Other income (expenses)		<u>(5,057)</u>
Net income before income taxes		<u>(36,403)</u>
Income taxes	8	<u>349</u>
Net income		<u>(36,752)</u>
Comprehensive income		<u>(36,752)</u>
Equity, beginning of year		<u>422,930</u>
Equity, end of year		<u>\$ 386,178</u>

See Notes to Financial Statements

RULETRONICS SYSTEMS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities	
Net income	\$ (36,752)
Adjustments to reconcile change in net assets to net cash used by operating activities	
Interest expense	5,057
Depreciation on property and equipment	1,476
Decrease (increase) in assets	
Accounts receivable	17,843
Due from related party	(63,840)
Other assets	(1,200)
Increase (decrease) in liabilities	
Accounts payable	(16,648)
Due to related party	27,392
Accrued expenses and other current liabilities	<u>(94,833)</u>
Net cash used by operating activities	<u>(161,505)</u>
Cash flows from investing activities	-
Cash flows from financing activities	
Loan proceeds	<u>224,700</u>
Net cash provided by financing activities	<u>224,700</u>
Net change in cash and cash equivalents	63,195
Cash and cash equivalents - beginning of year	<u>55,426</u>
Cash and cash equivalents - end of year	<u><u>\$ 118,621</u></u>
Supplemental disclosure of cash flow information:	
Interest paid	<u>\$ 5,057</u>
Income taxes paid	<u><u>\$ 108,031</u></u>

See Notes to Financial Statements

RULETRONICS SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – BUSINESS DESCRIPTION

Ruletronics Systems, Inc. (“the Company”) is a boutique Pega consulting company with customers in banking, insurance, healthcare and retail verticals. Ruletronics is a Gold Implementation Partner of Pega Systems, which is a leader in Intelligent Business Process Management (BPM), Customer Relationship Management (CRM) and Process Automation. The Company is incorporated in New Jersey, United States, and its headquarters are in Fairfield, New Jersey. The Company is a 100% subsidiary of Larsen & Toubro Infotech GmbH (See Note 7).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation – The accompanying financial statements of Ruletronics Systems, Inc. have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles in the United States of America (“U.S. GAAP”). Revenue is recorded when earned and expenses are recorded when incurred. All amounts are stated in United States Dollars.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The important estimates made by the Company in preparing these financial statements include allowance for doubtful accounts, revenue recognition, accrued liabilities, depreciation, income tax uncertainties and other contingencies. The estimates are made using historical information and other relevant factors available to management. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Cash and Cash Equivalents – The Company considers all cash, which is to be used for current operations with a maturity of three months or less to be cash and cash equivalents. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

RULETRONICS SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable & Allowance for Doubtful Accounts – Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable. In establishing the required allowance, management considers historical losses that are adjusted considering current market conditions and the customers’ financial condition, the amounts of receivables in dispute, and the current receivables ageing and current payment patterns. The Company reviews its allowance for doubtful accounts periodically. Past due balances are reviewed individually for collectability. Bad debt expense is included in operating expenses in the statement of income, comprehensive income and changes in equity. The Company charges off uncollectable amounts against the allowance for doubtful accounts in the period in which it determines they are uncollectable.

Leases – Leases are classified as either capital or operating leases. Rent expense on operating leases is recognized on a straight-line basis over the term of the lease including renewal terms if, at inception of the lease, renewal is reasonably assured.

Revenue Recognition – Revenue is recognized only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable and is reduced for volume discounts, estimated rebates and other similar allowances.

Revenue from contracts priced on time and material basis is recognized when services are rendered, and related costs are incurred.

Revenue from services performed on fixed-price basis is recognized over the life of contract using the proportionate completion method.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Other Income – Other items of income are accounted as and when the right to receive arises.

RULETRONICS SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment – *Property* and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment using the straight-line method. Expenditures for maintenance and repairs are charged to expense. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited to statement of income, comprehensive income and changes in equity. The estimated useful lives of property and equipment are:

Nature of assets	Estimated useful lives of assets
Furniture and fixtures	5 years

Advertising Costs – Non-response advertising costs are presented as part of operating expenses in the statement of income, comprehensive income and changes in equity. Advertising costs are expensed as incurred. During the year ended December 31, 2019, the Company incurred advertising costs of \$20,000.

Commitments and Contingencies – Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Income Taxes – Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. ASC 740 also provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

RULETRONICS SYSTEMS, INC.**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2019****NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes (Continued) – The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions in statement of income, comprehensive income and changes in equity.

Fair Value of Financial Instruments – At December 31, 2019, the carrying value of cash, accounts receivable, other assets, accounts payable, accrued expenses and loans payable approximates fair value because of the short maturity of these items.

Events Occurring After the Report Date – The Company has evaluated all events or transactions that occurred after the balance sheet date of December 31, 2019 through May 1, 2020, the date these financial statements were available to be issued. As of May 1, 2020, there were no adjusting or non-adjusting events that were required to be accrued or disclosed in the financial statements.

Uncertainty in Income Taxes – The Company has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2016 and subsequent remain subject to examination by the applicable taxing authorities.

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts receivable as at December 31, 2019 represent dues from customers of \$600,326, net of allowance of doubtful accounts of \$0. The Company maintains an allowance for doubtful accounts on all accounts receivable, based on present and prospective financial condition of the customer and aging of accounts receivable after considering historical experience and the current economic environment.

RULETRONICS SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment amounted to the following at December 31, 2019:

Furniture and fixtures	\$ 7,500
	<u>7,500</u>
Less: Accumulated depreciation	<u>3,810</u>
	<u>\$ 3,690</u>

NOTE 5 – OTHER ASSETS

Other assets comprised of rent security deposits of \$1,200 at December 31, 2019:

NOTE 6 – CONCENTRATIONS

The Company had two customers that accounted for approximately 56% and 21% of its sales for the year ended December 31, 2019 and two customers that accounted for approximately 48% and 25% of its accounts receivable at December 31, 2019.

The Company had no vendors that accounted for more than 10% of its purchases for the year ended December 31, 2019 and three vendors that accounted for approximately 34%, 28%, and 27% of its accounts payable at December 31, 2019.

From time to time, the Company has cash on deposit with financial institutions in excess of Federal Deposit Insurance Corporation (“FDIC”) limits.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Company is a 100% subsidiary of Larsen & Toubro Infotech GmbH (See Note 1).

The Company had a loan payable due to Larsen & Toubro Infotech GmbH amounting to \$229,757 at December 31, 2019. The loan payable included accrued interest amounting to \$5,057. Interest expense on the loan payable amounted to \$5,057 for the year ended December 31, 2019. The loan is due on demand and bears simple interest at a rate of 3% per annum.

The Company had accounts receivable due from Larsen & Toubro Infotech Limited amounting to \$63,840 at December 31, 2019.

RULETRONICS SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 7 – RELATED PARTY TRANSACTIONS (CONTINUED)

The Company had unbilled account payable due to Larsen & Toubro Infotech Limited amounting to \$27,392 at December 31, 2019.

NOTE 8 – INCOME TAXES

The components of the provision for income taxes for the year ended December 31, 2019 are as follows:

Current Taxes

Federal tax	\$	-
State tax		<u>349</u>
Income tax expense	\$	<u><u>349</u></u>

The Company files income tax returns for Federal and the States of New Jersey and Tennessee. The open years' subject to examination by the tax authorities range from 2016-2019. Management does not believe that there are any uncertain tax positions for either the past years or the current year.

NOTE 9 – LEASE COMMITMENTS

The Company leases office space under a non-cancelable operating lease expiring on March 31, 2022. The Company recognizes rent expense on a straight-line basis over the terms of the non-cancelable operating lease. Rent expense for the year ended December 31, 2019 amounted to \$13,800.

RULETRONICS SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 9 – LEASE COMMITMENTS (CONTINUED)

The future minimum payments under the non-cancelable operating lease are as follows:

Years ended December 31:

2020	\$ 14,400
2021	14,400
2022	<u>3,600</u>
	<u><u>\$ 32,400</u></u>

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 1, 2020, the date these financial statements were available for issue. All subsequent events, requiring recognition or disclosure through this date, have been incorporated into these financial statements.

RULETRONICS SYSTEMS, INC.**SCHEDULE TO THE STATEMENT OF INCOME, COMPREHENSIVE INCOME,
AND CHANGES IN EQUITY****YEAR ENDED DECEMBER 31, 2019**

Operating expenses	
Salaries	\$ 1,462,927
Subcontracting	518,329
Payroll taxes	103,615
Insurance	54,721
Legal expenses and professional fees	31,447
Employee welfare	29,403
Rent	13,800
Equipment lease	10,312
Advertising and promotion	20,000
Other taxes, licenses and fees	11,987
Travel	7,500
Computer services	3,408
Payroll fees	2,370
Depreciation	1,476
Meals and entertainment	988
Telephone	585
Other expenses	1,672
Bank charges and fees	747
	<u> </u>
Total operating expenses	\$ <u>2,275,287</u>
Other income (expenses)	
Interest expense	\$ <u>5,057</u>
Total other income (expenses)	\$ <u><u>5,057</u></u>

LARSEN & TOUBRO INFOTECH NORGE AS

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2020

(From Nov.20, 2018 to March 31,2020)

LARSEN & TOUBRO INFOTECH NORGE AS**DIRECTORS' REPORT**

Dear Members,

It's a pleasure in presenting the report and Audited Accounts for the period ended March 31, 2020.

1. FINANCIAL RESULTS/FINANCIAL HIGHLIGHTS:

Particulars	Nov. 20, 2018 to March 31, 2020
	NOK
Total Income	16,907,309
Total Expenditure	15,032,400
Operating Profit / (Loss)	1,874,909
Add: Interest Income	174
Less: Finance Costs	1,100,782
Profit / (Loss) before Tax	774,301
Less : Tax	170,346
Net Profit / (Loss) after Tax	603,955
Add: Balance b/f from previous year	NIL
Balance available for disposal which directors appropriate as follows:	
Dividend	NIL
Transfer to Reserves	NIL
Balance to be carried forward	603,955

2. State of Company Affairs / Business Prospects:

The gross sales and other income for the financial year under review were NOK 16,907,309 as against NIL for the previous financial year. The profit / (loss) before tax from continuing operations including extraordinary and exceptional items was NOK 774,301 and the profit / (loss) after tax from continuing operations including extraordinary and exceptional items of NOK 603,955 for the financial year under review as against NIL for the previous financial year.

3. Capital & Finance:

During the year under review, the Company allotted 30,000 equity shares.

4. Capital Expenditure:

As at Mar 31, 2020, the gross fixed and intangible assets including leased Assets, stood at 7,307,945 and the net fixed and intangible assets, including leased assets, at 5,860,937. Capital Expenditure during the year amounted to 7,307,945.

5. Dividend:

The Directors do not propose the payment of any dividend during the year.

6. Risk Management Policy:

The Parent Company, Larsen & Toubro Infotech Limited has formulated an Enterprise Risk Management policy and the Company being subsidiary, is being covered by the Risk Management Framework of the holding Company. Through periodical review executive management controls risk by means of a properly designed framework.

7. Details of Significant & Material Orders Passed by the Regulators or Courts:

During the year under review, there were no material and significant orders passed by the regulators or courts impacting the going concern status and the Company's operations in future.

8. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

The Company has appointed Mr. Sarbajit Deb as the Sole Director of the Company.

9. Financial Statements:

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

10. Auditors:

M/s Alpha Revisjon AS are the auditors of the Company. They will continue to be auditors of the Company for the ensuing financial year.

11. Directors Responsibility Statement:

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the local statutes for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

12. Acknowledgement

Your Directors acknowledge the invaluable support extended by the Government authorities in Norway and take this opportunity to thank them as well as the customers, supply chain partners, employees, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

May 7, 2020, Norway

Sarbajit Deb
Director

To the Board of Directors of Larsen & Toubro Infotech Norge AS

Independent auditor`s report (translated from Norwegian)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Larsen & Toubro Infotech Norge AS, showing a profit of NOK 603.955. The financial statements comprise the balance sheet as at March 31, 2020, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with laws and regulations and present fairly, in all material respect, the financial position of the Company as at March 31, 2020, and of its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor`s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, 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.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company`s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor`s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor`s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Refer to: <http://revisorforeningen.no/revisjonsberetninger> which contains a description of Auditor's responsibilities.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 12.05.2020
Alpha Revisjon AS

Tåle Johnsen
State Authorized Public Accountant

REVENUE STATEMENT

LARSEN & TOUBRO INFOTECH NORGE AS

OPERATING INCOME AND OPERATING EXPENSES	Note	20.11.18-31.3. 2020
Revenue		16 907 309
Total operating income		16 907 309
Cost of materials	6	10 973 971
Depreciation of operating and intangible assets	2	1 447 008
Other operating expenses	1, 6	2 611 421
Total operating expenses		15 032 400
Operating profit		1 874 909
FINANCIAL INCOME AND EXPENSES		
Other interest income		174
Other financial income		472 281
Other financial expenses		1 573 063
Net financial items		-1 100 608
Operating result before tax		774 301
Tax on ordinary result	3	170 346
Ordinary result after tax		603 955
EXTRAORDINARY INCOME AND EXPENSES		
Annual net profit	5	603 955
BROUGHT FORWARD		
Allocated to other equity		603 955
Net brought forward		603 955

BALANCE SHEET

LARSEN & TOUBRO INFOTECH NORGE AS

	Note	31.3 2020
ASSETS		
FIXED ASSETS		
Concessions, patents, licences, trademarks, and similar rights	2	5 787 873
Total intangible assets		5 787 873
Equipment and other movables	2	73 064
Total tangible assets		73 064
Total fixed assets		5 860 937
CURRENT ASSETS		
DEBTORS		
Accounts receivables		10 619 887
Other short-term receivables		1 068 160
Total receivables		11 688 047
INVESTMENTS		
Cash and bank deposits		5 635 685
Total current assets		17 323 731
Total assets		23 184 668

BALANCE SHEET**LARSEN & TOUBRO INFOTECH NORGE AS**

EQUITY AND LIABILITIES	Note	31.3 2020
EQUITY		
PAID-UP EQUITY		
Share capital	4, 5	30 000
Total paid-up equity		30 000
RETAINED EARNINGS		
Other equity		603 955
Total retained earnings		603 955
Total equity	5	633 955
LIABILITIES		
PROVISIONS FOR LIABILITIES		
Deferred tax	3	3 208
OTHER LONG-TERM LIABILITIES		
CURRENT DEBT		
Trade creditors	6	19 359 123
Tax payable	3	167 138
Public duties payable		1 915 873
Other current debt		1 105 372
Total current debt		22 547 505
Total liabilities		22 550 713
Total equity and liabilities		23 184 668

The board of Larsen & Toubro Infotech Norge AS



May 7, 2020

Sarbajit Deb

chairman of the board/General Manager

Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

The accounting period the first year is from 20.11.2018 to 30.3.2020.

OPERATING REVENUES

Income from the sale of goods is recognised on the date of delivery. Services are posted to income as they are delivered.

TAX

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

CLASSIFICATION AND VALUATION OF FIXED ASSETS

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. The depreciation period for real property acquired after 2009 is divided into the part that represents the building and the part that represents fixed technical installations. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

CLASSIFICATION AND VALUATION OF CURRENT ASSETS

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

RECEIVABLES

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Note 1 Salary costs, benefits and audit cost

Larsen & Toubro Infotech Norge AS hasn't had any salary costs or benefits in 2020 and there are no such obligations.

Cost to auditor has been booked in the account for this accounting period with NOK 40 000.

Note 2 Fixed assets

	Customer contracts	Fixed assts	Total plant and equipment
Acquisition cost 20.11.2018	0	0	0
Addition of plant and equipment purchased	7 234 841	73 104	7 307 945
Acquisition cost 30.3.2020	7 234 841	73 104	7 307 945
Accumulated depreciation 30.3.2020	1 446 968	40	1 447 008
Book value as at 31.12.2020	5 787 873	73 064	5 860 937
The year's depreciation	1 446 968	40	1 447 008
Depreciation rates	20%	20%	

Note 3 Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	167 138	0
Changes in deferred tax	3 208	0
Tax expense on ordinary profit/loss	170 346	0
Taxable income:		
Ordinary result before tax	774 301	0
Permanent differences	0	0
Changes in temporary differences	-14 581	0
Taxable income	759 720	0
Payable tax in the balance:		
Payable tax on this year's result	167 138	0
Total payable tax in the balance	167 138	0

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2020	2019	Difference
Tangible assets	14 581	0	-14 581
Total	14 581	0	-14 581
Deferred tax (22 %)	3 208	0	-3 208

Note 4 Shareholders**THE SHARE CAPITAL IN LARSEN & TOUBRO INFOTECH NORGE AS AS OF 31.03 CONSISTS OF:**

	Total	Face value	Entered
Ordinary shares	30 000	1,00	30 000
Total	30 000		30 000

OWNERSHIP STRUCTURE

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Larsen & Toubro Infotech Ltd	30 000	100,0	100,0
Total number of shares	30 000	100,0	100,0

Note 5 Equity capital

	Share capital	Share premium	Other equity capital	Total equity capital
Equity capital as at 20.11.2018	30 000	0	0	30 000
Result for the year			603 955	603 955
Additional dividend			0	0
As at 31.12.2020	30 000	0	603 955	633 955

Note 6 Inter-company items between companies in the same group

	2020	2019
Receivables		
Loans to companies in the same group	0	0
Customer receivables within the group	0	0
Other short-term receivables within the group	0	0
Total	0	0

Liabilities

Loans from companies in the same group	0	0
Debt to suppliers within the group	18 080 355	0
Other short-term liabilities within the group	0	0
Total	18 080 355	0

Transactions

Purchase intangible assets	7 234 841
Service charge - sub contracting	8 159 807
Purchase of management services	2 176 476
Other transactions with related parties	183 843
Total	17 754 967

Note 7 Going concern

The first year of business was an extended accounting period and is already showing a positive result.

The board's work in 2020 mainly consisted of managing income and reducing costs in order to ensure continued operation. The budgets for 2021 have been prepared on the basis of a modest level of operations in order to secure a sustainable financial position.

Continued operation of Larsen & Toubro Infotech Norge AS is thus considered not to involve a risk of loss for creditors.

The basis of the board's conclusion as to status as a going concern is the foundations on which the company's operations are based, the good communications with creditors and a conservative estimate of income in the coming years.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and intangible assets. In estimating the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

NIELSEN + PARTNER UNTERNEHMENSBERATER GMBH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JANUARY 31, 2020



A. AUDIT ENGAGEMENT

To the

Nielsen + Partner Unternehmensberater GmbH,

Hamburg/ Germany

- hereafter also referred to as "Nielsen + Partner Unternehmensberater GmbH" or the "Company" -.

By resolution of the Shareholders' Meeting of the Nielsen + Partner Unternehmensberater GmbH we were appointed as auditors for the business year 2019/2020. Based on this resolution, the management engaged us to perform a non-statutory audit of the financial statements in accordance with art. 317 German Commercial Code (HGB) for the business year 2019/2020.

We confirm in accordance with art. 321 par. 4a German Commercial Code (HGB) that our audit was performed in compliance with the applicable regulations governing independence.

Our audit report was prepared in accordance with German generally accepted reporting standards applicable to the audit of financial statements (auditing standard of the Institut der Wirtschaftsprüfer – IDW PS 450 n. F.).

The scope of the audit engagement and our responsibilities thereunder, both towards the Company and third parties, are governed by the General Engagement Terms for "Wirtschaftsprüfer" (professionally qualified auditors) and "Wirtschaftsprüfungsgesellschaften" (audit firms) in the version dated January 1st. 2017, attached as an Annex to this report and as modified in our agreement.

This audit report was prepared solely for documenting to the Company the audit performed, rather than for the purposes of third parties, towards whom we assume no liability according to the existing legal position within the scope of application of art. 323 German Commercial Code (HGB).



B. SUBJECT, NATURE AND SCOPE OF THE AUDIT

I. Subject of the Audit

Our audit covered

- the accounting records;
- the annual financial statements (comprising of balance sheet, income statement as well as notes to the financial statements);

of the Company.

The Company's management is responsible for the bookkeeping and the preparation of the annual financial statements in accordance with the German regulations under commercial law. This also applies to the information which was provided to us concerning these documents and measures. Our responsibility is to assess these documents and this information within the scope of our audit in accordance with professional standards.

Auditing the compliance with other regulations is covered by the scope of the audit of the financial statements only to the extent that these normally impact the annual financial statements.

II. Nature and Scope of the Audit

Our audit was based on the prior year's financial statements; these were approved on May 15th, 2019.

We conducted the audit from January until March 2020.

Our audit was performed in accordance with art. 317 German Commercial Code (HGB) in compliance with the German generally accepted auditing standards as promulgated by the IDW (Institut der Wirtschaftsprüfer).

According to art. 317 German Commercial Code (HGB), a problem-orientated audit of financial statements must be of sufficient scope to ensure that material inaccuracies and violations of accounting rules are identified with sufficient assurance. In order to meet these requirements, we apply our risk and process-orientated audit approach.

Within the scope of our audit planning, we gathered information on the business activity, the economic and legal environment of the Company as well as its accounting system, performed an analytical review of the annual financial statements and inspected the articles of association and resolutions taken by the Meeting of Shareholders. The audit strategy was determined by us based on the results of this information and review and evaluations of possible misstatements. The Company's system of internal accounting controls was examined by us to the extent we considered necessary to evaluate the system as required by generally accepted accounting principles; our audit of the financial statements did not cover the system of internal accounting controls taken as a whole.

According to our audit plan, the performance of our audit was generally not orientated towards controls. Therefore we performed a non-reduced level of analytical audit procedures and tests of details on a sample basis of business transactions and account balances in accordance with our risk assessment. Tests of details were performed on the basis of judgemental samples.



Our audit focused on:

- Impairment of participations
- Existence and impairment of receivables from affiliated companies
- Completeness and accuracy of payables to affiliated companies
- Completeness and accuracy of sales

The Company outsourced its accounting to the service provider BBM Steuerberatungsgesellschaft mbH, Hamburg/Germany. To assess the orderliness of the outsourced accounting, we examined the measures taken by the Company to control the activity of the service provider.

Within the framework of our audit of accounts payable as well as bank balances and provisions, we obtained confirmations of credit balances, claims and commitments of the Company from the bank of the Company.

In examining the opening balance sheet values, we relied in particular on the underlying notes, **itemisations, the articles of association, commercial excerpts and protocols of the shareholders' meetings.**

The Management provided all explanations and supporting documentation which were requested and issued a written letter of representation in accordance with German professional requirements. This letter of representation specifically guarantees that the bookkeeping includes all accountable transactions, that the annual financial statements on hand include all assets, commitments, accruals and deferrals that are required to be shown as well as all income and expenses and that all provisions for risks have been taken into account and all required disclosures have been included. In the opinion of the management the effects of the uncorrected financial statement misstatements enclosed to the letter of representation are immaterial individually and in aggregate.



C. STATEMENTS AND EXPLANATIONS REGARDING THE ACCOUNTING

I. Orderliness of the Accounting

1. Bookkeeping and other Audited Documents

The bookkeeping complies with the legal regulations including the German generally accepted accounting principles. The information provided by the other audited documents leads to an orderly presentation in the accounting records and the annual financial statements.

2. Annual Financial Statements

The annual financial statements as of January 31st, 2020 are presented in Annexes 1 to 3 attached to this report.

The annual financial statements were properly derived from the accounting records and the other audited documents. The Company is in compliance with the legal regulations applicable to classification, accounting and valuation and to the notes to the financial statements.

II. Overall Content of the Annual Financial Statements

1. Material Bases of Valuation

For the accounting and valuation principles of Nielsen + Partner Unternehmensberater GmbH, please refer to the notes to the financial statements (Annex 3).

2. Statements regarding the Overall Content of the Annual Financial Statements

The annual financial statements taken as a whole, i.e. the combined presentation of balance sheet, income statement and notes to the financial statements, present, in compliance with generally accepted accounting principles, a true and fair view of the Company's net assets, financial position and results of operations.



D. THREE-YEAR SUMMARY OF FINANCIAL STATISTICS

The following comparison gives an overview of the development of the company during the past three financial years.

	2019/2020	2018/2019	2017/18
		TEUR	TEUR
Sales	4,651	6,196	5,139
Net loss/net profit	-126	816	600
Shareholders' Equity	1,540	1,665	1,449
Balance sheet total	2,387	2,264	1,938

For details on the economic situation and the legal status, we refer to Annex 5 to this report.



E. COPY OF **INDEPENDENT AUDITORS'** REPORT

We have given the following unqualified auditors' opinion signed on March 06th, 2020 on the annual financial statements for the business year 2019/2020 of Nielsen + Partner Unternehmensberater GmbH, Hamburg/Germany (Annexes 1 to 3):

"Independent Auditors' Report

To Nielsen + Partner Unternehmensberater GmbH, Hamburg/Germany

Audit Opinions

We have audited the annual financial statements of Nielsen + Partner unternehmensberater GmbH, which comprise the balance sheet as at January 31st, 2020, and the statement of profit and loss for the financial year from February 1st, 2019, to January 31st, 2020, and notes to the financial statements, including the presentation of the recognition and measurement policies. In accordance with German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code].

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at January 31st, 2020 and of its financial performance for the financial year from February 1st, 2019, to January 31st, 2020 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities **under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report"** section of our **auditor's** report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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 Audit opinions on the annual financial statements.

Other Information

The executive directors are responsible for the other information.

Our Audit opinion on the annual financial statements do not cover the other information, and consequently we do not express an Audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the **Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern.** In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statement.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error as well as to issue an **auditor's report** that includes our Audit opinions on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 Audit opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an Audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the **appropriateness of the executive directors' use of the going concern basis of accounting** and, based on the audit evidence obtained, whether a material uncertainty exists related **to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.** If we conclude that a material uncertainty exists, we are required to draw attention **in the auditor's report** to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective Audit opinions. **Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.** However, future events or conditions may cause the Company to cease to be able to continue as a going concern.



- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its **conformity with [German] law, and the view of the Company's position** it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate Audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in **internal control that we identify during our audit.**"

F. CONCLUSION

The above report on our audit of the annual financial statements for the financial year 2019/2020 of Nielsen + Partner Unternehmensberater GmbH, Hamburg/ Germany, complies with the legal regulations and the German generally accepted reporting standards applicable to the audit of financial statements (auditing standard of the Institut der Wirtschaftsprüfer – IDW PS 450 n. F.).

For the auditors' opinion given by us, we refer to Section E "Copy of Independent Auditors' Report".

Hamburg, March 20th, 2020

GHP GmbH
Wirtschaftsprüfungsgesellschaft

Holst	Korsukéwitz
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

The publication or disclosure to third parties of the annual financial statements with reference to our audit and the disclosure to third parties of our audit report and/or the auditors' opinion require our renewed prior comment; in this respect, we draw expressly attention to No. 7 of the appended General Engagement Terms for "Wirtschaftsprüfer" (Professionally Qualified Auditors) and "Wirtschaftsprüfungsgesellschaften" (Audit Firms).

ANNEX 1

Nielsen+Partner Unternehmensberater GmbH, Hamburg
Balance Sheet as of January 31st, 2020

Assets	January 31st, 2020 EUR	January 31st, 2019 EUR	Liabilities and Shareholders' Equity	January 31st, 2020 EUR	January 31st, 2019 EUR
A. Fixed Assets			A. Shareholders' equity		
I. Intangible assets			I. Subscribed capital	205,000.00	205,000.00
1. Internally created industrial property rights and similar rights and values	28,174.00		II. Profit brought forward	1,460,143.78	644,400.54
2. Prepayments	<u>0.00</u>		III. Net loss/net profit	<u>-125,609.35</u>	<u>815,743.24</u>
	28,174.00			1,539,534.43	1,665,143.78
II. Tangible assets			B. Provisions		
Other equipment, factory and office equipment	37,050.00		1. Tax provisions	91,451.00	114,069.00
			2. Other provisions	<u>266,000.00</u>	<u>128,000.00</u>
III. Financial assets				357,451.00	242,069.00
Participations	<u>203,495.70</u>		C. Liabilities		
	268,719.70		1. Trade accounts payable	105,404.59	131,381.65
B. Current assets			thereof with a remaining term up to one year		
I. Accounts receivable and other assets			EUR 105,404.59 (preceding year EUR 131,381.65)		
1. Trade receivables	593,173.97		2. Payables to affiliated companies	286,402.00	0.00
2. Receivables from affiliated companies	918,675.37		thereof with a remaining term up to one year		
3. Other assets	<u>10,636.13</u>		EUR 286,402.00 (p. y. EUR 0.00)		
	1,522,485.47		3. Other liabilities	98,176.74	225,898.33
			thereof from taxes EUR 59,356.60 (p. y. EUR 105,126.62)		
II. Cash in banks	<u>567,108.93</u>	<u>472,683.46</u>	thereof for social security EUR 98,210.07		
	2,089,594.40	1,983,296.06	(p. y. EUR 15,086.33)		
C. Prepaid expenses	<u>28,654.66</u>	<u>16,458.00</u>		489,983.33	357,279.98
	<u>2,386,968.76</u>	<u>2,264,492.76</u>		<u>2,386,968.76</u>	<u>2,264,492.76</u>

ANNEX 2

Nielsen + Partner Unternehmensberater GmbH, Hamburg
Income Statement for the financial year 2019/2020

	2019/2020 EUR	2018/2019 EUR
1. Sales	4,651,067.22	6,195,757.25
2. Other operating income	46,829.82	43,413.31
3. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	-33.33	-207.40
b) Expenses for outside services	<u>545,503.84</u>	<u>1,458,850.92</u>
	545,470.51	1,458,643.52
4. Personnel expenses		
a) Wages and salaries	2,698,821.28	2,608,179.74
b) Social security, pension and other benefit costs thereof from retirement benefits EUR 85,882.38 (p. y. EUR 79,467.80)	<u>531,934.01</u>	<u>457,355.49</u>
	3,230,755.29	3,065,535.23
5. Depreciation on intangible fixed assets and tangible fixed assets	46,866.05	23,460.00
6. Other operating expenses	1,038,777.34	1,078,550.35
7. Income from other participations	0.00	312,605.50
8. Other interest and similar income thereof from affiliated companies EUR 19,835.80 (p. y. EUR 7,867.44)	19,835.80	7,867.44
9. Interest and similar expenses	3,750.00	3,211.79
10. Taxes from income	<u>-22,175.00</u>	<u>114,067.37</u>
11. Earnings after taxes	-125,711.35	816,175.24
12. Taxes other than income taxes	<u>-102.00</u>	<u>432.00</u>
13. Net loss/net profit	<u><u>-125,609.35</u></u>	<u><u>815,743.24</u></u>

NIELSEN + PARTNER GMBH, HAMBURG/ GERMANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE BUSINESS YEAR 2019/2020

I. GENERAL INFORMATION REGARDING THE ANNUAL FINANCIAL STATEMENTS AND THE ACCOUNTING AND VALUATION METHODS

General information

Nielsen + Partner GmbH is headquartered in Hamburg, Germany. It is entered in the commercial register of the Amtsgericht (Local Court) in Hamburg under HRB 60455.

The annual financial statements of Nielsen + partner GmbH, Hamburg/Germany, for the year ended January 31st, 2020 have been prepared pursuant to the regulations of the German Commercial Code (HGB).

In addition to those regulations, the regulations of the German Companies Act (GmbHG) had to be observed. The Company is a limited liability company to which the regulations for small-sized limited companies pursuant to art. 267 par. 1 of the German Commercial Code (HGB) are to be applied.

The profit and loss statement is prepared pursuant to the total expenditure method.

Information which may be shown either on the balance sheet, income statement or in the notes can be partially found in the notes.

Accounting and Valuation methods

For the preparation of the annual financial statements the following accounting and measurement principles remain unchanged.

Property, plant and equipment is valued at acquisition costs, reduced by systematic depreciation using the straight-line method. In this respect, additions are depreciated on a pro rata temporis basis. The depreciation is determined according to the expected useful life.

For depreciable movable assets with a value ranging from EUR 150 to EUR 800, a compound item is formed in the financial year of acquisition and an expected useful life of 5 years is taken as basis. Assets with acquisition costs up to EUR 150 are booked as expenses upon acquisition.

Accounts receivable are valued at the nominal value or the lower value to be attached at the balance sheet date.

Other assets and cash in bank are capitalised at the nominal values.

Prepaid expenses are recognized to allocate expenses and income on an accrued basis.

Tax provisions concern the taxes related to the financial year 2018/2019 which are not assessed yet.

Other provisions are recognized at the amount of the necessary settlement amount pursuant to the reasonable judgement of a merchant. They take into account all foreseeable risks and contingent liabilities. Provisions with an expected settlement of more than one year are discounted.

Accounts payable are recognised at the settlement amount.

II. EXPLANATIONS REGARDING THE ITEMS OF THE BALANCE SHEET

Accounts receivable and other assets

The accounts receivables and other assets are all due within one year.

Receivables from affiliated companies consist of trade accounts receivables in an amount of TEUR 228 (prior business year TEUR 261) and other accounts receivables in an amount of TEUR 691 (prior business year TEUR 524).

Liabilities

The payables to affiliated companies affect in total trade accounts payable.

III. ADDITIONAL INFORMATION

The average number of employees in the financial year amounted to 38.

No events of special importance for the economic situation of the Bank occurred after the end of the business year.

IV. BOARD OF DIRECTORS

In the business year, the board of managing directors had the following members:

Mr. Manuel Brunckhorst, Ostervesede

Mr. Guillaume Desjonqueres, Christchurch/United Kingdom

Mr. Nachiket Gopal Deshpande, Pune/ India

The managing directors hold the sole right of representation with the right to conclude legal transactions in their own name or as a representative of the company.

Hamburg, March 20th, 2020

Independent Auditors' Report

To Nielsen + Partner Unternehmensberater GmbH, Hamburg/Germany

Audit Opinions

We have audited the annual financial statements of Nielsen + Partner unternehmensberater GmbH, which comprise the balance sheet as at January 31st, 2020, and the statement of profit and loss for the financial year from February 1st, 2019, to January 31st, 2020, and notes to the financial statements, including the presentation of the recognition and measurement policies. In accordance with German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code].

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at January 31st, 2020 and of its financial performance for the financial year from February 1st, 2019, to January 31st, 2020 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities **under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report"** section of our **auditor's** report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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 Audit opinions on the annual financial statements.

Other Information

The executive directors are responsible for the other information.

Our Audit opinion on the annual financial statements do not cover the other information, and consequently we do not express an Audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the **Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern.** In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statement.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error as well as to issue an **auditor's** report that includes our Audit opinions on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 Audit opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an Audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the **appropriateness of the executive directors' use of the going concern basis of accounting** and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast **significant doubt on the Company's ability to continue as a going concern.** If we conclude that a material uncertainty exists, we are required to draw attention **in the auditor's report** to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective Audit opinions. **Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.** However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its **conformity with [German] law, and the view of the Company's position** it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate Audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hamburg, March 20th, 2020

GHP GmbH
Wirtschaftsprüfungsgesellschaft

Holst	Korsukéwitz
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)



ECONOMIC SITUATION AND LEGAL STATUS

Name	Nielsen + Partner Unternehmensberater GmbH
Place of business	Hamburg / Germany
Incorporation	November 29 th , 2012
Registered office	Hamburg/ Germany
Commercial register entry	District Court Hamburg
	HRB 60455, excerpt from February 18 th , 2020, last entry on February 19 th , 2020
Articles of association	Current version dated March 4 th , 2019
Business year	February 1 st – January 31 st
Purpose of business	Advice on the conception, development and implementation of solutions and issues of management, organization and information processing; the acquisition and holding as well as the sale of company participations in its own name and for its own account and all license-free transactions insofar as they serve the company's purpose
Registered capital	EUR 205,000.00
Management	<ul style="list-style-type: none"> • Brunckhorst, Manuel, Ostervesede/Germany <p>The management holds the right of sole representation including the right to conclude legal transactions in their own name or as a representative of the company.</p> <ul style="list-style-type: none"> • Desjonqueres, Guillaume, Christchurch/United Kingdom <p>The management holds the right of sole representation including the right to conclude legal transactions in their own name or as a representative of the company.</p> <ul style="list-style-type: none"> • Deshpande, Nachiket Gopal, Pune/ India <p>The management holds the right of sole representation including the right to conclude legal transactions in their own name or as a representative of the company</p>



Meeting of shareholders May 15th, 2019

- determination of the annual financial statements
- discharge of the management
- carry forward of the annual profit 2018/2019 to the new account of the management

NIELSEN + PARTNER UNTERNEHMENSBERATER AG

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

**To the General Meeting of
Nielsen + Partner Unternehmensberater AG
8006 Zürich**

Report of the statutory auditors on the Limited Statutory Examination

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Nielsen + Partner Unternehmensberater AG for the year ended Dezember 31, 2019.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a Limited Statutory Examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a Limited Statutory Examination to identify material misstatements in the financial statements. A Limited Statutory Examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our Limited Statutory Examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Cham, March 6, 2020

Tria Revisions AG

Stefan Koller
Licensed Audit Expert
Auditor in Charge

Hannes Zumstein
Licensed Audit Expert

Enclosures: Financial Statements and the proposed appropriation of available earnings

Nielsen + Partner Unternehmensberater AG
8006 Zürich

Balance Sheet as of 31.12.2019

Assets	31.12.2019 CHF	31.12.2018 CHF
Bank balances	276'227.63	96'294.77
Cash and cash equivalents	276'227.63	96'294.77
Receivables from third parties	434'553.85	403'464.85
Receivables from shareholders	0.00	14'364.48
Valuation adjustment	-21'727.00	-20'891.00
Trade accounts receivable	412'826.85	396'938.33
Other short-term receivables from third parties	107'188.30	136'640.95
Other short-term receivables	107'188.30	136'640.95
Work in progress	127'500.00	75'000.00
Non-invoiced services	127'500.00	75'000.00
Prepaid expenses and accrued income	31'093.50	84'316.15
Current assets	954'836.28	789'190.20
Furniture, fixtures and office equipment	1'610.50	2'147.50
Computers and IT	5'528.50	7'672.50
Tangible assets	7'139.00	9'820.00
Non-current assets	7'139.00	9'820.00
Total Assets	961'975.28	799'010.20

Nielsen + Partner Unternehmensberater AG
8006 Zürich

Balance Sheet as of 31.12.2019

Liabilities and Equity	31.12.2019 CHF	31.12.2018 CHF
Accounts payable due to third parties	42'884.89	129'173.40
Accounts payable due to shareholders	14'530.26	110'800.25
Accounts payable due to related parties	53'861.01	12'243.43
Trade accounts payable	111'276.16	252'217.08
Short-term loan due to shareholders	12'779.50	233'552.77
Short-term interest-bearing liabilities	12'779.50	233'552.77
Other short-term liabilities due to third parties	232'541.07	95'437.95
Other short-term liabilities	232'541.07	95'437.95
Short-term provisions	103'496.30	0.00
Accrued expenses and deferred income	79'301.32	89'906.76
Short-term liabilities	539'394.35	671'114.56
Liabilities	539'394.35	671'114.56
Share capital	100'000.00	100'000.00
Statutory reserves	57'000.00	57'000.00
Statutory reserves	57'000.00	57'000.00
Result carried forward	-29'104.36	-119'135.99
Profit for the year	294'685.29	90'031.63
Available earnings	265'580.93	-29'104.36
Equity	422'580.93	127'895.64
Total Liabilities and Equity	961'975.28	799'010.20

Nielsen + Partner Unternehmensberater AG
8006 Zürich

Income Statement 01.01.2019 - 31.12.2019

Income statement	2019 CHF	2018 CHF
Revenues from services	2'848'794.40	2'302'987.64
Change in work in progress and non-invoiced services	-75'836.00	66'752.00
Revenue from services	2'772'958.40	2'369'739.64
Expenses for purchased services	-358'524.36	-287'615.23
Direct expenses	-358'524.36	-287'615.23
Total operating income	2'414'434.04	2'082'124.41
Salary expenses	-1'387'950.53	-1'272'688.27
Social contribution expenses	-186'947.55	-161'834.17
Other personnel expenses	-40'717.92	-78'304.41
Personnel expenses	-1'615'616.00	-1'512'826.85
Rent	-26'084.57	-26'926.72
Insurance costs and other charges	-20'365.81	-16'654.52
Administrative efforts and IT expenditure	-246'625.96	-196'754.50
Advertising and travel costs	-134'852.20	-256'380.72
Other operating expenses	-427'928.54	-496'716.46
Operating result before financial results, taxes, depreciation and impairment losses	370'889.50	72'581.10
Depreciation	-3'887.13	-4'468.57
Depreciation	-3'887.13	-4'468.57
Operating result before financial result and taxes	367'002.37	68'112.53
Financial expenses	-6'422.99	-9'421.53
Financial income	13'807.88	11'079.41
Financial result	7'384.89	1'657.88
Operating result before taxes	374'387.26	69'770.41
Extraordinary, non-recurring or prior period expenses	-4'032.02	-1'236.55
Extraordinary, non-recurring or prior period income	1'598.85	46'231.27
Extraordinary, non-recurring or prior period result	-2'433.17	44'994.72
Profit for the year before taxes	371'954.09	114'765.13
Direct taxes	-77'268.80	-24'733.50
Profit of the year	294'685.29	90'031.63

Nielsen + Partner Unternehmensberater AG
8006 Zürich

Notes to the financial statements

Notes	31.12.2019 CHF	31.12.2018 CHF
Details of the accounting principles applied in the annual financial statements		
These annual financial statements were compiled in compliance with Swiss legal regulations, in particular the articles on commercial bookkeeping and accounting in the Swiss Code of Obligations (Art. 957 to 962).		
Number of employees		
Average annual number of full-time employees	> 10 and < 250	< 10
Obligations to pension funds		
Obligations to pension fund as of 31.12	4'375.70	0.00
Extraordinary expenses and income		
Extraordinary income 2018	0.00	46'231.27
SVA Zürich, CO2 redistribution: CHF 2'285.40		
Bonus accruals not paid out (2017): CHF 43'945.87		
Extraordinary expenses 2018:	0.00	-1'236.55
SVA Zürich charges for 2017		
Extraordinary income 2019:	1'598.85	
SVA Zürich, CO2 redistribution		
Extraordinary expenses 2019:	-4'032.02	0.00
Cross-charges from the shareholder regarding previous periods		

Significant events after balance sheet date

After the balance sheet date and until the adoption of the financial statements by the Board, no significant events have occurred which might affect the validity of the financial statements for 2019 or need to be disclosed at this point.

In accordance with Art. 959c of the Swiss Code of Obligations (OR), no further mandatory details need to be listed.

Nielsen + Partner Unternehmensberater AG
8006 Zürich

Proposed appropriation of available earnings

Proposed	31.12.2019 CHF	31.12.2018 CHF
Result carried forward	-29'104.36	-119'135.99
Profit of the year	294'685.29	90'031.63
Total available for the General Meeting	265'580.93	-29'104.36
Retained earnings to be carried forward	265'580.93	-29'104.36
Total available for the General Meeting	265'580.93	-29'104.36

NIELSEN+PARTNER PTE. LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

DIRECTORS' STATEMENT
For the financial year ended 31 December 2019

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2019.

In the opinion of the directors,

- (a) the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Manuel Brunckhorst
Muraleetharan
Guillaume Philippe Marie Desjonquieres
Nachiket Gopal Deshpande

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

Independent auditor

The independent auditor, Entrust Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors:

Manuel
Brunckhorst
Director

Muraleetharan
Director

May 25, 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIELSEN+PARTNER PTE. LTD.

Report on the Audit of the Financial Statements

Our opinion

We have audited the accompanying financial statements of Nielsen+Partner Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ENTRUST PUBLIC ACCOUNTING CORPORATION
Public Accountants and Chartered Accountants
Singapore

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2019

	Note	2019 SGD	2018 SGD
Revenue	4	8,459,634	7,929,557
Other income	5	16,278	9,254
Expenses:			
Consulting services costs		(53,993)	(6,141)
Depreciation of property, plant and equipment	10	(142,400)	(22,885)
Employee compensation	6	(5,021,491)	(4,396,935)
Finance expenses	7	(21,526)	-
Rental on operating leases		-	(165,151)
Other expenses	8	<u>(1,640,546)</u>	<u>(1,388,744)</u>
Profit before income tax		1,595,956	1,958,955
Income tax expense	9	<u>(247,435)</u>	<u>(313,493)</u>
Profit for the financial year		<u>1,348,521</u>	<u>1,645,462</u>
Total comprehensive income		<u>1,348,521</u>	<u>1,645,462</u>

The accompanying notes form an integral part of these financial statements.

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 SGD	2018 SGD
ASSETS			
Non-current assets			
Property, plant and equipment	10	282,918	40,628
Financial assets, at FVPL	12	<u>4</u>	<u>4</u>
		<u>282,922</u>	<u>40,632</u>
Current assets			
Trade and other receivables	13	3,890,632	2,851,843
Cash and cash equivalents	14	<u>847,395</u>	<u>845,976</u>
		<u>4,738,027</u>	<u>3,697,819</u>
Total assets		<u>5,020,949</u>	<u>3,738,451</u>
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,102,610	1,661,819
Loan from a related party	16	301,100	-
Borrowings	17	117,187	-
Current income tax liabilities	9	<u>249,836</u>	<u>305,921</u>
		<u>1,770,733</u>	<u>1,967,740</u>
Non-current liabilities			
Borrowings	17	131,142	-
Deferred income tax liabilities	18	<u>6,749</u>	<u>6,907</u>
		<u>137,891</u>	<u>6,907</u>
Total liabilities		<u>1,908,624</u>	<u>1,974,647</u>
Net assets		<u>3,112,325</u>	<u>1,763,804</u>
EQUITY			
Share capital	19	100,000	100,000
Retained earnings		<u>3,012,325</u>	<u>1,663,804</u>
Total equity		<u>3,112,325</u>	<u>1,763,804</u>

The accompanying notes form an integral part of these financial statements.

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2019

	Share capital SGD	Retained earnings SGD	Total equity SGD
Balance at 1 January 2018	100,000	518,342	618,342
Total comprehensive income for the financial year	-	1,645,462	1,645,462
Dividends paid	-	(500,000)	(500,000)
Balance at 31 December 2018	<u>100,000</u>	<u>1,663,804</u>	<u>1,763,804</u>
Balance at 1 January 2019	100,000	1,663,804	1,763,804
Total comprehensive income for the financial year	-	1,348,521	1,348,521
Balance at 31 December 2019	<u><u>100,000</u></u>	<u><u>3,012,325</u></u>	<u><u>3,112,325</u></u>

The accompanying notes form an integral part of these financial statements.

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2019

	Note	2019 SGD	2018 SGD
Cash flows from operating activities			
Profit before income tax		1,595,956	1,958,955
Adjustments for:			
Depreciation of property, plant and equipment		142,400	22,885
Gain on disposal of property, plant and equipment		(3,136)	-
Interest expense		21,526	-
Provision for unutilised leave		38,330	45,841
Operating cash flow before working capital changes		<u>1,795,076</u>	<u>2,027,681</u>
Changes in working capital:			
Trade and other receivables		(1,038,789)	(504,656)
Trade and other payables		<u>(597,539)</u>	<u>(364,812)</u>
Cash generated from operations		158,748	1,158,213
Income tax paid		<u>(303,678)</u>	<u>(19,982)</u>
Net cash (outflow)/inflow from operating activities		<u>(144,930)</u>	<u>1,138,231</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		9,721	-
Purchase of financial assets, FVPL		-	(4)
Purchase of property, plant and equipment		<u>(31,463)</u>	<u>(20,861)</u>
Net cash outflow from investing activities		<u>(21,742)</u>	<u>(20,865)</u>
Cash flows from financing activities			
Dividends paid to a shareholder		-	(500,000)
Interest paid		(15,117)	-
Loan from a related party		294,691	-
Principle payment of lease liabilities		<u>(111,483)</u>	<u>-</u>
Net cash inflow/(outflow) from financing activities		<u>168,091</u>	<u>(500,000)</u>
Net increase in cash and cash equivalents held		1,419	617,366
Cash and cash equivalents at the beginning of financial year		845,976	228,610
Cash and cash equivalents at the end of financial year	14	<u><u>847,395</u></u>	<u><u>845,976</u></u>

The accompanying notes form an integral part of these financial statements.

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is at 4 Battery Road, #25-01 Bank of China Building, Singapore 049908 and principal place of business is at 11 Collyer Quay, #09-09 The Arcade, Singapore 049317.

The principal activity of the Company is to provide IT consulting services in the banking and finance sector.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

On 1 January 2019, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the following:

Adoption of FRS 116 Leases

When the Company is the lessee

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Company's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.15.

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Adoption of FRS 116 Leases (continued)

When the Company is the lessee (continued)

On initial application of FRS 116, the Company has elected to apply the following practical expedients:

- (i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under FRS 17 *Lease* and INT FRS 104 *Determining whether an Arrangement contains a Leases*, the Company has not reassessed if such contracts contain leases under FRS 116; and
- (ii) On a lease-by-lease basis, the Company has:
 - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
 - c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
 - d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
 - e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 January 2019.

For leases previously classified as operating leases on 1 January 2019, the Company has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Company chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount as if FRS 116 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 January 2019. For ROU assets which meet the definition of an investment property, the Company had measured the ROU assets at their fair values at 1 January 2019.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 January 2019 is adjusted directly to opening retained profits. Comparative information is not restated.
- (iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 January 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

The effects of adoption of FRS 116 on the Company's financial statements as at 1 January 2019 are as follows:

	Increase/(decrease) SGD
Property, plant and equipment	96,491
Borrowings	96,491

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Adoption of FRS 116 Leases (continued)

An explanation of the differences between the operating lease commitments previously disclosed in the Company's financial statements as at 31 December 2018 and the lease liabilities recognised in the statement of financial position as at 1 January 2019 are as follows:

	SGD
Operating lease commitment disclosed as at 31 December 2018	107,748
Less: Short-term leases	(9,600)
Less: Discounting effect using weighted average incremental borrowing rate of 5%	(1,657)
Lease liabilities recognised as at 1 January 2019	<u>96,491</u>

2.2 New or revised accounting standards and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but not yet effective for annual periods beginning 1 January 2019, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

Title	Effective date (Annual periods beginning on or after)
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 January 2020
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 103 Definition of a Business	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107 Interest Rate Benchmark Reform	1 January 2020
FRS 117 Insurance Contracts	1 January 2021

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.3 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Company provides IT consulting services in banking and finance sector. Revenue is recognised upon the customers have satisfied with the work performed by the Company over the contractual period (i.e. over time). The amount of revenue recognised is based on the contractual price.

2.4 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method on a time-proportion basis.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment

(a) Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computers and accessories	3 years
Office equipment	3 years
Properties	24 to 43 months

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2. Significant accounting policies (continued)

2.6 Impairment of non-financial assets

Assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.7 Financial assets

(a) Classification and measurement

The Company classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. Significant accounting policies (continued)

2.7 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

1. Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses".
Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

2. Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Company has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Company applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. Significant accounting policies (continued)

2.7 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2.8 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.9 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.10 Fair value estimation

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of non-current financial assets and liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial assets and liabilities.

2. Significant accounting policies (continued)

2.11 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss.

The Company accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.14 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2. Significant accounting policies (continued)

2.15 Leases (when the Company is the lessee)

The accounting policy for leases before 1 January 2019 under FRS 17 are as follows:

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

The accounting policy for leases from 1 January 2019 under FRS 116 are as follows:

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) Right-of-use ("ROU") assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

(b) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

2. Significant accounting policies (continued)

2.15 Leases (when the Company is the lessee) (continued)

The accounting policy for leases from 1 January 2019 under FRS 116 are as follows: (continued)

(b) Lease liabilities (continued)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(c) Short term and low value leases

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(d) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2.16 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2. Significant accounting policies (continued)

2.17 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.18 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of lease term of contracts with extension options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend

The Company included the extension option in the lease term for leases of properties.

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4. Revenue from contracts with customers Disaggregation

of revenue from contracts with customer

	2019 SGD	2018 SGD
Rendering of services	8,459,634	7,929,557
	<u>8,459,634</u>	<u>7,929,557</u>

All the sales are recognised over time.

5. Other income

	2019 SGD	2018 SGD
Government grants	13,142	9,254
Gain on disposal of property, plant and equipment	3,136	-
	<u>16,278</u>	<u>9,254</u>

6. Employee compensation

	2019 SGD	2018 SGD
Salaries and wages	4,376,869	3,598,585
Directors' fees	-	343,948
Employer's contribution to Central Provident Fund	284,142	167,725
Other benefits	360,480	286,677
	<u>5,021,491</u>	<u>4,396,935</u>

7. Finance expenses

	2019 SGD	2018 SGD
Interest on lease liabilities	15,117	-
Interest on loan	6,409	-
	<u>21,526</u>	<u>-</u>

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8. Other expenses

	2019 SGD	2018 SGD
Administrative and service fee	459,493	472,755
Consultation fee	-	37,985
Foreign exchange differences (net)	10,288	25,057
Insurance	160,248	125,836
Professional fees	158,711	143,651
Rental - short term leases	16,906	-
Recruitment fee	191,678	149,358
Staff welfare and benefits	18,947	34,699
Training	71,405	58,170
Travelling expenses	452,536	279,583
Others	100,334	61,650
	<u>1,640,546</u>	<u>1,388,744</u>

9. Income tax expense

(a) Income tax expense

	2019 SGD	2018 SGD
Tax expense attributable to profit is made up of:		
- Current income tax	244,879	305,921
- Deferred income tax	(158)	(344)
	<u>244,721</u>	<u>305,577</u>
Under provision in respect of preceding financial year	2,714	7,916
	<u>247,435</u>	<u>313,493</u>

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	2019 SGD	2018 SGD
Profit before income tax	<u>1,595,956</u>	<u>1,958,955</u>
Tax calculated at a tax rate of 17%	271,312	333,022
Effects of:		
- Income not subject to tax	(533)	-
- Tax incentives	(15,000)	(10,000)
- Expenses not deductible for tax purposes	6,367	8,480
- Partial income tax exemption	(17,425)	(25,925)
Tax charge	<u>244,721</u>	<u>305,577</u>

(b) Movements in current income tax liabilities

	2019 SGD	2018 SGD
Beginning of financial year	305,921	12,066
Income tax paid	(303,678)	(19,982)
Tax expense on profit for current financial year	244,879	305,921
Under provision in respect of preceding financial year	2,714	7,916
End of financial year	<u>249,836</u>	<u>305,921</u>

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10. Property, plant and equipment

	Computer and accessories SGD	Office equipment SGD	Properties SGD	Total SGD
2019				
Cost				
Beginning of financial year	95,520	3,553	-	99,073
Adoption of FRS 116 (Note 2.1)	-	-	96,491	96,491
	<u>95,520</u>	<u>3,553</u>	<u>96,491</u>	<u>195,564</u>
Additions	31,463	-	263,321	294,784
Disposals	(9,197)	-	-	(9,197)
End of financial year	<u>117,786</u>	<u>3,553</u>	<u>359,812</u>	<u>481,151</u>
Accumulated Depreciation				
Beginning of financial year	55,770	2,675	-	58,445
Depreciation charge	24,927	878	116,595	142,400
Disposals	(2,612)	-	-	(2,612)
End of financial year	<u>78,085</u>	<u>3,553</u>	<u>116,595</u>	<u>198,233</u>
Net Book Value				
End of financial year	<u>39,701</u>	<u>-</u>	<u>243,217</u>	<u>282,918</u>
2018				
Cost				
Beginning of financial year	74,659	3,553	-	78,212
Additions	20,861	-	-	20,861
End of financial year	<u>95,520</u>	<u>3,553</u>	<u>-</u>	<u>99,073</u>
Accumulated Depreciation				
Beginning of financial year	34,069	1,491	-	35,560
Depreciation charge	21,701	1,184	-	22,885
End of financial year	<u>55,770</u>	<u>2,675</u>	<u>-</u>	<u>58,445</u>
Net Book Value				
End of financial year	<u>39,750</u>	<u>878</u>	<u>-</u>	<u>40,628</u>

ROU assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11.

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11. Leases – The Company as a lessee

- (a) The Company leases office space and apartment for the purpose of office operations and staff accommodation.
- (b) ROU assets classified within property, plant and equipment during the financial year was SGD243,217 (1 January 2019: SGD96,491).
- (c) Depreciation charge during the financial year was SGD116,595.
- (d) Interest expense on lease liabilities during the financial year was SGD15,117.
- (e) Lease expense not capitalised in lease liabilities during the financial year was SGD16,907
- (f) Total cash outflow for all the leases in 2019 was SGD143,507
- (g) Addition of ROU assets during the financial year 2019 was SGD263,221.

12. Financial assets, at FVPL

	2019 SGD	2018 SGD
Beginning of financial year	<u>4</u>	<u>4</u>
End of financial year	<u><u>4</u></u>	<u><u>4</u></u>

At the reporting date, financial assets, at FVPL included the following:

	2019 SGD	2018 SGD
Unlisted securities:		
- Equity securities - Thailand	<u>4</u>	<u>4</u>
	<u><u>4</u></u>	<u><u>4</u></u>

At the reporting date, the carrying amount of financial assets, at FVPL approximates its fair value.

Financial assets, at FVPL is denominated in Thai Baht.

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13. Trade and other receivables

	2019 SGD	2018 SGD
Trade receivables:		
- third parties	2,831,220	2,546,111
- related entity	931,043	177,727
Deposits	37,296	38,157
Prepaid operating expenses	91,073	89,848
	<u>3,890,632</u>	<u>2,851,843</u>

Trade receivables are non-interest bearing and the credit period is 30 to 60 days (2018: 30 to 60 days).

At the reporting date, the carrying amounts of trade and other receivables approximate their fair value.

Trade and other receivables are denominated in the following currencies:

	2019 SGD	2018 SGD
Australian Dollars	88,767	-
Euro	4,435	24,634
Philippine Peso	905	-
Singapore Dollars	2,772,659	2,317,889
US Dollars	1,023,866	509,320
	<u>3,890,632</u>	<u>2,851,843</u>

14. Cash and cash equivalents

	2019 SGD	2018 SGD
Cash and bank balances	847,395	845,976
	<u>847,395</u>	<u>845,976</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents are denominated in Singapore Dollars.

For the purposes of the statement of cash flows, the cash and cash equivalents comprised the following:

	2019 SGD	2018 SGD
Cash and cash equivalents (as above)	847,395	845,976
Cash and cash equivalents per statement of cash flows	847,395	845,976

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15. Trade and other payables

	2019 SGD	2018 SGD
Trade payables:		
- third parties	23,109	-
- related entity	-	6,074
Other payables:		
- third parties	198,253	234,343
- holding company	194,724	98,486
Accrued operating expenses	<u>686,524</u>	<u>1,322,916</u>
	<u><u>1,102,610</u></u>	<u><u>1,661,819</u></u>

Trade payables are non-interest bearing and the credit period is 30 days (2018: 30 days).

Due to holding company is unsecured, interest-free and repayable on demand.

At the reporting date, the carrying amounts of trade and other payables approximate their fair value.

Trade and other payables are denominated in the following currencies:

	2019 SGD	2018 SGD
Euro	204,174	624,027
Singapore Dollars	845,383	1,034,905
Thai Baht	4	4
US Dollars	44,832	2,883
Vietnamese Dong	<u>8,217</u>	<u>-</u>
	<u><u>1,102,610</u></u>	<u><u>1,661,819</u></u>

16. Loan from a related party

	2019 SGD	2018 SGD
Due within 1 year		
- holding company	<u>301,100</u>	<u>-</u>
	<u><u>301,100</u></u>	<u><u>-</u></u>

The loan from holding company is unsecured, bears interest at 2.5% (2018: Nil) per annum and repayable on demand.

At the reporting date, the carrying amounts of the loan from a related party approximates its fair value.

Loan from a related party is denominated in Euro.

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17. Borrowings

	2019 SGD	2018 SGD
Current:		
Lease liabilities	117,187	-
Total current borrowings	117,187	-
Non-current:		
Lease liabilities	131,142	-
Total non-current borrowings	131,142	-
	<u>248,329</u>	<u>-</u>

- (a) Total borrowings are denominated in Singapore Dollars.
(b) Reconciliation of liabilities arising from financing activities

	Principal and interest payments SGD	Non-cash changes			End of financial year SGD
		Adoption of FRS 116 SGD	Addition SGD	Interest expense SGD	
2019					
Lease liabilities	(126,600)	96,491	263,321	15,117	248,329
	<u>(126,600)</u>	<u>96,491</u>	<u>263,321</u>	<u>15,117</u>	<u>248,329</u>

18. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Movement in deferred income tax liabilities account is as follows:

	2019 SGD	2018 SGD
Beginning of financial year	6,907	7,251
Tax credited to profit or loss	(158)	(344)
End of financial year	<u>6,749</u>	<u>6,907</u>

Deferred income tax liabilities represent the following:

	2019 SGD	2018 SGD
Accelerated tax depreciation	6,749	6,907
	<u>6,749</u>	<u>6,907</u>

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19. Share capital

	2019 SGD	2018 SGD
100,000 ordinary shares issued and fully paid	<u>100,000</u>	<u>100,000</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

20. Dividends

	2019 SGD	2018 SGD
Ordinary dividends paid:		
Final dividend paid in respect of the previous financial year of nil (2018: SGD5.00) per share	-	500,000
	<u>-</u>	<u>500,000</u>

21. Commitments

Operating lease commitments

The Company leases office and apartment from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

At at 31 December 2018, the future minimum lease payments under non-cancellable operating leases contracted for but not recognised as liabilities are as follows:

	31 December 2018 SGD
Not later than 1 year	<u>107,748</u>
	<u>107,748</u>

As disclosed in Note 2.1, the Company has adopted FRS 116 on 1 January 2019. These lease payments have been recognised as ROU assets and lease liabilities on the statement of financial position as at 31 December 2019, except for short-term and low value leases.

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22. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

22.1 The following transactions took place between the Company and related parties at terms agreed between the parties:

	2019 SGD	2018 SGD
Revenue:		
Revenue charged to related entities	915,692	177,935
Expenses:		
Consulting services cost charged by a related entity	-	6,141
Expenses charged by holding company	503,570	527,085
Loan interest charged by holding company	6,929	-
Others:		
Property, plant and equipment disposed to a related entity	<u>9,271</u>	<u>-</u>

Balances with related parties at the reporting date are set out in Notes 13, 15 and 16.

22.2 Key management personnel compensation is as follows:

	2019 SGD	2018 SGD
Directors of the Company:		
Salaries and other short-term employee benefits	301,571	561,704
Post-employment benefits - contribution to CPF	17,340	3,060
	<u>318,911</u>	<u>564,764</u>

23. Holding company

The holding company is Nielsen+Partner Unternehmensberater GmbH, incorporated in Germany.

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24. Financial risk management

The Company's activities expose it to a variety of financial risk.

(i) Foreign currency risk

The Company is exposed to foreign currency risk arising from future commercial transactions, recognised assets and liabilities, primarily with respect to the Australian Dollars, Euro, Philippine Peso, US Dollars and Vietnamese Dong. The Company monitors the foreign currency exchange rate movements closely to ensure that their exposures are minimised.

The Company's currency exposure based on the information provided to key management is as follows:

	2019 SGD	2018 SGD
Australian Dollars:		
Trade and other receivables	88,767	-
Net financial assets	<u>88,767</u>	<u>-</u>
Euro:		
Trade and other receivables	4,435	-
Trade and other payables	(204,174)	(624,027)
Loan from a related entity	(301,100)	-
Net financial liabilities	<u>(500,839)</u>	<u>(624,027)</u>
Philippine Peso:		
Trade and other receivables	905	-
Net financial assets	<u>905</u>	<u>-</u>
US Dollars:		
Trade and other receivables	1,023,866	507,112
Trade and other payables	(44,832)	(2,883)
Net financial assets	<u>979,034</u>	<u>504,229</u>
Vietnamese Dong:		
Trade and other payables	(8,217)	-
Net financial liabilities	<u>(8,217)</u>	<u>-</u>

At the reporting date, if the the Australian Dollars, Euro, Philippine Peso, US Dollars and Vietnamese Dong had strengthened/weakened by 10% (2018: 10%) respectively against the Singapore Dollars with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	2019 SGD	2018 SGD
Australian Dollars against Singapore Dollars:		
- strengthened/weakened by	8,877	-
Euro against Singapore Dollars:		
- strengthened/weakened by	50,084	62,403
Philippine Peso against Singapore Dollars:		
- strengthened/weakened by	91	-
US Dollars against Singapore Dollars:		
- strengthened/weakened by	97,903	50,423
Vietnamese Dong against Singapore Dollars:		
- strengthened/weakened by	<u>822</u>	<u>-</u>

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24. Financial risk management (continued)

(ii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's exposure to cash flow interest rate risks arises mainly from loan from a related party at fixed rate.

	2019 Fixed rate SGD	2018 Fixed rate SGD
Financial liabilities		
Loan from a related party	<u>301,000</u>	<u>-</u>

There is no significant concentration of cash flow interest rate risk.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

(a) Risk management

For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient security where appropriate to mitigate credit risk.

For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Credit exposure to an individual customer is restricted by the credit limit approved by the management. Customers' payment profile and credit exposure are continuously monitored by the management and directors.

There are no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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24. Financial risk management (continued)

(iii) Credit risk (continued)

(b) Credit rating

The Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These three categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Under-performing	Borrower or issuer for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal repayments are 90 days past due	Lifetime expected credit losses

There are no significant changes to estimation techniques or assumptions made during the reporting period.

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24. Financial risk management (continued)

(iii) Credit risk (continued)

(c) Impairment of financial assets

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a receivable for write off when a debtor fails to make contractual payment greater than 120 days past due based on historical collection trend. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Company's credit risk exposure in relation to trade receivables as at 31 December 2019 and 31 December 2018 are set out in the provision matrix as follows:

31 December 2019	Current SGD	Within 30 days SGD	More than 30 days SGD	More than 60 days SGD	More than 90 days SGD	Total SGD
Gross carrying amount	635,896	924,826	93,385	122,956	533,180	2,310,243
Loss allowance provision	-	-	-	-	-	-
31 December 2018	Current SGD	Within 30 days SGD	More than 30 days SGD	More than 60 days SGD	More than 90 days SGD	Total SGD
Gross carrying amount	991,405	800,203	919,030	-	-	2,710,638
Loss allowance provision	-	-	-	-	-	-

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

24. Financial risk management (continued)

(iv) Liquidity risk

The Company adopts prudent liquidity risk management by maintaining sufficient cash for the Company's operations availability of funding from the holding company.

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Not later than 1 year SGD	Later than 1 year but within 5 years SGD
At 31 December 2019		
Trade and other payables	1,102,610	-
Loan from a related party	301,100	-
Borrowings	117,187	131,142
	<u>1,520,897</u>	<u>131,142</u>
At 31 December 2018		
Trade and other payables	1,661,819	-
Loan from a related party	-	-
Borrowings	-	-
	<u>1,661,819</u>	<u>-</u>

(v) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2019 SGD	2018 SGD
Net debt	804,644	815,843
Total equity	<u>3,112,325</u>	<u>1,763,804</u>
Total capital	<u>3,916,969</u>	<u>2,579,647</u>
Gearing ratio	<u>0.21</u>	<u>0.32</u>

The Company is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2018 and 2019.

Following the adoption of FRS 116, the net debt to equity ratio of the Company increased from 0.32 on 31 December 2018 to 0.34 on 1 January 2019.

NIELSEN+PARTNER PTE. LTD.

(Incorporated in Singapore)

(Company Registration Number: 201306219M)

24. Financial risk management (continued)

(vi) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 SGD	Level 2 SGD	Level 3 SGD	Total SGD
At 31 December 2019				
Assets				
Financial assets, at FVPL	-	4	-	4
Total assets	-	4	-	4
At 31 December 2018				
Assets				
Financial assets, at FVPL	-	4	-	4
Total assets	-	4	-	4

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date. These investments are included in Level 2 and comprise debt investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in Level 3.

25. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

DETAILED INCOME STATEMENT
For the financial year ended 31 December 2019

	2019 SGD	2018 SGD
REVENUE		
Rendering of services	8,459,634	7,929,557
LESS: COST OF SALES		
Consulting services costs	<u>53,992</u>	<u>6,141</u>
GROSS PROFIT	8,405,642	7,923,416
ADD: OTHER INCOME		
Government grant	<u>13,142</u>	<u>9,254</u>
Gain on disposal of property, plant and equipment	<u>3,136</u>	<u>-</u>
	<u>16,278</u>	<u>9,254</u>
	8,421,920	7,932,670
LESS: EXPENSES (as per schedule)	<u>6,825,964</u>	<u>5,973,715</u>
Profit before income tax	1,595,956	1,958,955
Income tax expense	<u>(247,435)</u>	<u>(313,493)</u>
Profit for the financial year	<u><u>1,348,521</u></u>	<u><u>1,645,462</u></u>

This schedule does not form part of the audited statutory financial statements.

NIELSEN+PARTNER PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 201306219M)

DETAILED INCOME STATEMENT
For the financial year ended 31 December 2019

	2019	2018
	SGD	SGD
EXPENSES		
Administrative and service fee	459,493	472,755
Apartment costs	840	541
Bank charges	2,571	5,422
Consultation fee	-	37,985
CPF contributions	266,802	164,665
CPF contributions - director	17,340	3,060
Depreciation of property, plant and equipment	142,400	22,885
Directors' fees	-	343,948
Director's allowances	3,600	900
Director's remuneration	297,971	216,856
Employee allowances	356,880	285,777
Entertainment	10,068	4,122
Foreign exchange differences (net)	10,288	25,057
General expenses	852	6,520
Gifts	2,600	1,702
Insurance	160,248	125,836
Interest expenses	21,526	-
IT expenses	14,940	7,913
Late payment fees	-	42
Marketing expenses	8,617	16,308
Medical expenses	498	8
Meeting expenses	33,531	-
Minor equipment	998	-
Office supply	860	1,641
Postage and courier fee	882	715
Printing and stationery	8,458	5,821
Professional fees	158,711	143,651
Recruitment fee	191,678	149,358
Refreshment and pantry	1,023	-
Rental - short term lease	16,907	-
Rental expenses	-	165,151
Repair and maintenance	145	72
Salaries and wages	4,078,898	3,381,729
Skill development levy	5,746	4,206
Staff welfare and benefits	18,947	34,699
Stamp duty	1,154	-
Telephone and fax	1,469	1,927
Training	71,405	58,170
Transport	2,737	2,645
Travelling expenses	452,536	279,583
Utilities	2,345	2,045
	<u>6,825,964</u>	<u>5,973,715</u>

This schedule does not form part of the audited statutory financial statements.

NIELSEN + PARTNER S.A.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

REPORT OF THE REVISEUR D'ENTREPRISES AGREE (AUDIT REPORT)

To the Shareholders of

NIELSEN + PARTNER S.A.
5, rue des Primeurs
L-2361 STRASSEN

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NIELSEN + PARTNER S.A. (the "Company"), which comprise the balance sheet as at 31st of December 2019, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31th of December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of the “Réviseur d’Entreprises Agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Responsibilities of the “Réviseur d’Entreprises Agréé” for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d’Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
-

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, the 3th of June 2020

ACF AUDIT Luxembourg S.A.
 Represented by Stéphan MOREAUX
 Réviseur d'entreprises agréé

NIELSEN + PARTNER S.A.Balance sheet as at December 31, 2019

	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>EUR</u>	<u>EUR</u>
Active		
Fixed assets		
<u>Financial assets</u>		
Investments	2,61	2,61
Assets		
<u>Claims</u>		
Receivables from deliveries and services		
(a) with a residual term of up to one year	279 368,00	291 758,09
Receivables against affiliated companies		
(a) with a residual term of up to one year	788 767,48	123 881,50
Other receivables		
(a) with a residual term of up to one year	7 557,90	7 557,90
<u>Credit institutions' balances and cash on hand</u>	341 649,65	460 283,36
Accruals accruals	2 076,88	2 722,43
	<u>1 419 422,52</u>	<u>886 205,89</u>
Passive		
Equity		
Subscribed capital	50 000,00	50 000,00
Statutory reserve	5 000,00	803,01
Other reserves, including the present value reserve		
(a) Other available reserves	12 310,00	--
Results carried forward	424 994,73	15 258,93
Earnings for the financial year	598 098,87	426 242,79
Provisions		
Tax provisions	--	144 876,90
Other provisions	53 295,76	26 594,12
Liabilities		
Trade payables		
(i) with a residual term of up to one year	77 199,47	55 266,47
Liabilities to affiliated companies		
(i) with a residual maturity of up to one year	37 507,53	154 106,12
Other liabilities		
a) Liabilities to tax authorities	83 757,27	10 217,19
b) Liabilities to social security institutions	48 638,25	2 840,36
c) Other liabilities		
i) with a residual term of up-to one year,	28 620,64	--
	<u>1 419 422,52</u>	<u>886 205,89</u>

The annexes are an integral part of the annual accounts

NIELSEN + PARTNER S.A.
Income statement for the period from 1 January
2019 to 31 December 2019

	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>EUR</u>	<u>EUR</u>
Net sales	2 972 967,34	2 520 731,75
Other operating income	--	2 387,43
Raw materials, auxiliary materials and other external expenses		
b) Other external expenses	- 1 344 170,09	- 1 364 970,53
Personnel costs		
a) Wages and salaries	- 740 824,80	- 511 544,95
b) Social expenses		
i) Pensions	- 44 857,36	- 45 982,82
(ii) Other social expenses	- 50 503,95	- 25 357,66
Other operating expenses	(45,48)	--
Other interest and similar income		
(a) from affiliated companies	506,85	--
(b) Other interest and similar income	342,77	--
Interest and similar expenses		
(b) Other interest and similar expenses	- 1 641,59	- 524,43
Taxes on earnings	- 193 674,82	- 148 166,00
Other taxes	--	- 330,00
Earnings for the financial year	<u>598 098,87</u>	<u>426 242,79</u>

The annexes are an integral part of the annual accounts

NIELSEN + PARTNER S.A.Notes to the annual financial statements as of December 31, 2019

Note 1 – General

Nielsen + Partner S.A. (hereinafter "the Company") was founded on 22 March 2017 in the form of a limited company under Luxembourg law for an unlimited period

The company headquarters is located at 5, Rue des Primeurs, Strassen.

The financial year starts on 1 January and ends 31 December.

The main activity of the company is consulting services in the field of the conception, development and processing of information solutions as well as in the field of company organization and data processing.

Note 1 – Valuation Principles, Rules and Methodology**2.1 General principles**

The annual financial statements must be drawn up in accordance with the laws and regulations in force in Luxembourg. The accounting policy and the valuation principles are determined by the Board of Directors, in addition to the statutory provisions.

2.2 Key valuation rules

The company's main valuation rules are:

2.2.1 Financial Assets

The investments are valued according to the ancillary acquisition costs.

In the case of impairments which the Board of Directors consider to be permanent, these financial assets shall be impaired in order to value them at the lower value to be attached to them at the balance sheet date. These value adjustments shall not be maintained if the reasons for the impairment are no longer in place.

2.2.2 Receivables of current assets

The receivables are recognised at their face value. They are reputed if their payment is at risk. These value adjustments shall not be maintained if the reasons for the value adjustments no longer exist.

2.2.3 Active accruals in accruals

This item includes expenses posted Ausgaben before the balance sheet date that relate to a later fiscal year.

2.2.4 Provisions

Provisions are used to cover losses or liabilities which are precisely determined by their nature, are probable or certain at the balance sheet date, but are uncertain as to their amount or the date on which they occur.

NIELSEN + PARTNER S.A.

Notes to the annual financial statements as of December 31, 2019

2.2.5 Liabilities

If the repayment amount of liabilities is higher than the amount received, the difference amount is already posted as an expense when the debt instruments are issued in the income statement.

2.2.6 Net revenue

Net revenue is the revenue from the sale of products and services typical of the company's ordinary business activities, after deduction of discounts, VAT and other taxes directly related to turnover.

Based on the provisions of Luxembourg law, the Company is exempt from the obligation to prepare consolidated financial statements and a consolidated management report for the financial year ending 31 December. Consequently, in accordance with the legal requirements, the financial statements on a non-consolidated basis were submitted to the Annual General Meeting of Shareholders for approval by the management.

The accounts and the annual financial statements are shown in EURO .

Note 3 – Financial Assets

The development in the financial year is as follows:

	<u>31.12.2019</u>
	<u>EUR</u>
Gross value as of January 1, 2019	2.61
Accesses	-,--
Departures	-,--
Gross value as of 31.12.2019	<u>2.61</u>
Value adjustments on 1 January 2019	-,--
Value adjustments as of 31.12.2019	-,--
Net worth as of 31.12.2019	<u>2.61</u> =====

Note 4 – Receivables

The receivables consist mainly of trade receivables and receivables against affiliated companies with a residual maturity of up to one year.

	<u>Up to one</u>
	<u>year</u>
	<u>EUR</u>
Trade receivables	279 368.00
Receivables from affiliated companies	788 767.48
Other receivables	7 557,90
	<u>1075693,38</u>

NIELSEN + PARTNER S.A.

Notes to the annual financial statements as of December 31, 2019

Note 5 – Prepaid Expenses and deferred charges

The active accruals item includes expenses relating to subsequent years.

Note 6 – Subscribed Capital

The subscribed share capital amounts to EUR 50,000.00 and consists of 50,000 shares without designation of the face value.

Note 7 – Legal Reserves

Each year, 5% of the financial year's result is used to create a reserve required by Luxembourg law. This advance assignment is not when the reserve has reached the tenth part of the subscribed capital. The statutory reserve may not be distributed.

Note 8 – Other Reserves – Special Reserve

The special reserve was created on the basis of Article 174bis LIR. This reserve item corresponds to five times the capital tax for the financial year, which is set off against corporation tax and retained on the balance sheet for the five tax years following the credit year.

Note 9 - Provisions

Provisions can be broken down as follows:

	<u>31.12.2019</u>
	<u>EUR</u>
Other provisions	53,295.76
	<u>53.295,76</u>
	=====

Other provisions relate to travel days, holidays and gratuities.

Note 10 - Liabilities

The remaining maturities of the liabilities are as follows:

	<u>Up to one</u>
	<u>year</u>
	<u>EUR</u>
Trade payables	77,199.47
Liabilities to affiliated companies	37,507.53
Liabilities from taxes	83.757,27
Liabilities from social security	48.638,25
Other liabilities	28.620,64
	<u>275.723,16</u>
	=====

As of December 31, 2018, the tax liabilities on the company's income were reported as tax provisions.

Note 11 - PERSONAL

The company employed an average of 12 people during the financial year.

NIELSEN + PARTNER S.A.Notes to the annual financial statements as of December 31, 2019

Note 12 – Remuneration and Benefits Granted to Directors

The Company has no obligations under remuneration, loan commitments or guarantees, as well as from pension commitments to current or former members of the Board of Directors.

NOTE 13 – Subsequent Events

No material events occurred after the balance sheet date

NOTE 14 - Off-balance sheet obligations

The total balance of the lease obligations outstanding from 31.12.19 to the end of the leasing period amounts to EUR 61,853.98

NIELSEN&PARTNER PTY. LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Nielsen & Partners Pty Ltd

ABN 50 624 699 627

Directors' Report

31 December 2019

The directors present their report on Nielsen & Partners Pty Ltd for the financial year ended 31 December 2019.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Manuel Brunckhorst	
Guillaume Desjonqueres	Appointed 15/05/2019
Nachiket Deshpande	Appointed 15/05/2019
Sameer Satpute	Appointed 27/06/2019
Angelika Yates	Resigned 27/06/2019
Gerd Klaasen	Resigned 01/03/2019
Nils Roevers	Resigned 01/03/2019

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Nielsen & Partners Pty Ltd during the financial year was IT consultancy specialising in wealth and asset management, involving the implementation, customization and operation of standard and individual software.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ (241,883) (2018: \$ 25,214).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Nielsen & Partners Pty Ltd

ABN 50 624 699 627

Directors' Report

31 December 2019

3. Other items (cont'd)

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Nielsen & Partners Pty Ltd.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Manuel Brunckhorst

Dated 12 March 2020

Nielsen & Partners Pty Ltd

ABN 50 624 699 627

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Nielsen & Partners Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Felsers
Chartered Accountants

Steven Zabeti
Partner

12 March 2020
Sydney

Nielsen & Partners Pty Ltd

ABN 50 624 699 627

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2019**

		2019	2018
	Note	\$	\$
Consulting fees	4	1,492,203	604,730
Finance income	5	1,531	-
Employee benefits expense	6	(997,006)	(300,971)
Depreciation and amortisation expense	6	(14,469)	(2,741)
Recruitment expenses		(167,151)	(63,045)
Legal expenses		(145,066)	(41,032)
Administration and service expenses		(206,834)	(37,095)
Travel expenses		(105,571)	(5,427)
Other expenses		(79,013)	(98,804)
Finance expenses	5	(28,672)	(20,837)
(Loss) / profit before income tax		(250,048)	34,778
Income tax expense	7	8,165	(9,564)
(Loss) / profit from continuing operations		(241,883)	25,214
(Loss) / profit for the year		(241,883)	25,214
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) / income for the year		(241,883)	25,214

The accompanying notes form part of these financial statements.

Nielsen & Partners Pty Ltd

ABN 50 624 699 627

Statement of Financial Position

31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	68,984	171,066
Trade and other receivables	9	1,197,901	417,803
Other assets	12	3,550	3,095
TOTAL CURRENT ASSETS		<u>1,270,435</u>	591,964
NON-CURRENT ASSETS			
Property, plant and equipment	11	9,838	2,933
Deferred tax assets		22,035	13,870
TOTAL NON-CURRENT ASSETS		<u>31,873</u>	16,803
TOTAL ASSETS		<u>1,302,308</u>	608,767
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	460,256	198,356
Current tax liabilities	17	-	23,434
Employee benefits	15	32,758	16,924
Contract liabilities	10	111,076	-
TOTAL CURRENT LIABILITIES		<u>604,090</u>	238,714
NON-CURRENT LIABILITIES			
Borrowings	14	914,886	344,838
TOTAL LIABILITIES		<u>1,518,976</u>	583,552
NET ASSETS		<u>(216,668)</u>	25,215
EQUITY			
Issued capital	16	1	1
Retained earnings		(216,669)	25,214
TOTAL EQUITY		<u>(216,668)</u>	25,215

The accompanying notes form part of these financial statements.

Nielsen & Partners Pty Ltd

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**Statement of Changes in Equity
For the Year Ended 31 December 2019****2019**

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2019	1	25,214	25,215
Profit attributable to members of the parent entity	-	(241,883)	(241,883)
Balance at 31 December 2019	1	(216,669)	(216,668)

2018

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2018	-	-	-
Profit attributable to members of the parent entity	-	25,214	25,214
Issue of shares	1	-	1
Balance at 31 December 2018	1	25,214	25,215

The accompanying notes form part of these financial statements.

Nielsen & Partners Pty Ltd

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Statement of Cash Flows For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	861,325	247,400
Payments to suppliers and employees	(1,497,130)	(392,020)
Interest received	125	-
Interest paid	(196)	(45)
Income taxes paid	-	(23,434)
Net cash used in operating activities	<u>(635,876)</u>	<u>(168,099)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(21,374)</u>	<u>(5,674)</u>
Net cash used in investing activities	<u>(21,374)</u>	<u>(5,674)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	-	1
Proceeds from borrowings	<u>555,168</u>	<u>344,838</u>
Net cash provided by financing activities	<u>555,168</u>	<u>344,839</u>
Net (decrease)/increase in cash and cash equivalents held	<u>(102,082)</u>	<u>171,066</u>
Cash and cash equivalents at beginning of year	<u>171,066</u>	<u>-</u>
Cash and cash equivalents at end of financial year	8 <u>68,984</u>	<u>171,066</u>

The accompanying notes form part of these financial statements.

Nielsen & Partners Pty Ltd

ABN 50 624 699 627

Notes to the Financial Statements**For the Year Ended 31 December 2019**

The financial report covers Nielsen & Partners Pty Ltd as an individual entity. Nielsen & Partners Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Nielsen & Partners Pty Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 12 March 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

2 Summary of Significant Accounting Policies**(a) Revenue and other income****Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Provision of Professional Services

The Company earns revenue from provision of professional services, incorporating consulting advice. Revenue is recognised over time in the accounting period when services are rendered.

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(a) Revenue and other income (cont'd)

Specific revenue streams (cont'd)

Fee arrangements include fixed fee arrangements, unconditional fee for service arrangements ("time and materials") and variable fee arrangements.

For fixed fee arrangements, revenue is recognised based on the stage of completion with reference to the actual services provided as a proportion of the total services expected to be provided under the contract. The stage of completion is tracked on a contract by contract basis using a milestone-based approach.

Estimates of revenues (including interim billing), costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In fee for service contracts, revenue is recognised up to the amount of fees that the Company is entitled to invoice for services performed to date based on contracted rates.

The Company estimates fees for variable fee arrangements using a most likely amount approach on a contract by contract basis. Management makes a detailed assessment of the amount of revenue expected to be received and variable consideration is included in revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Nielsen & Partners Pty Ltd

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**Notes to the Financial Statements
For the Year Ended 31 December 2019****2 Summary of Significant Accounting Policies (cont'd)****(b) Income Tax (cont'd)**

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Nielsen & Partners Pty Ltd

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**Notes to the Financial Statements
For the Year Ended 31 December 2019****2 Summary of Significant Accounting Policies (cont'd)****(e) Property, plant and equipment (cont'd)****Plant and equipment**

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Computer Equipment	50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements**For the Year Ended 31 December 2019****2 Summary of Significant Accounting Policies (cont'd)****(f) Financial instruments (cont'd)****Financial assets (cont'd)**

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and borrowings.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(k) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Critical Accounting Estimates and Judgments (cont'd)

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Revenue from contracts with customers		
- provision of services	1,492,203	604,730
Total Revenue	1,492,203	604,730

5 Finance Income and Expenses

Finance income

	2019	2018
	\$	\$
Interest income		
- Assets measured at amortised cost	125	-
Gain on exchange differences	1,406	-
Total finance income	1,531	-

Finance expenses

	2019	2018
	\$	\$
Interest expense	15,076	45
Loss on exchange differences	13,596	20,792
Total finance expenses	28,672	20,837

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2019

6 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Other expenses:		
Employee benefits expense including superannuation contributions	997,006	300,971
Depreciation expense	14,469	2,741
Superannuation contributions	80,767	24,238
Rental outgoings	8,172	4,006

7 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2019	2018
	\$	\$
Current tax expense		
Local income tax - current period	-	9,564
Deferred tax expense		
Origination and reversal of temporary differences	(8,165)	-
Total income tax expense	(8,165)	9,564

(b) Reconciliation of income tax to accounting profit:

	2019	2018
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2018: 30%)	(75,014)	10,433
Add / (less):		
- other non-allowable and allowable items	66,849	(869)
	(8,165)	9,564
Income tax expense	(8,165)	9,564

8 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	68,984	171,066
	68,984	171,066

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2019

9 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	1,187,901	407,803
Other receivables	10,000	10,000
Total current trade and other receivables	1,197,901	417,803

10 Contract Balances

Contract liabilities

The Company has recognised the following contract liabilities from contracts with customers:

	2019	2018
	\$	\$
CURRENT		
Consulting fees in advance	111,076	-

11 Property, plant and equipment

PLANT AND EQUIPMENT

Computer equipment		
At cost	27,048	5,674
Accumulated depreciation	(17,210)	(2,741)
Total computer equipment	9,838	2,933
Total property, plant and equipment	9,838	2,933

12 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	3,550	3,095

13 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	203,792	114,868
GST payable	109,002	57,932
Sundry payables and accrued expenses	15,826	4,481
Other payables	131,636	21,075
	460,256	198,356

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2019

13 Trade and Other Payables (cont'd)

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Borrowings

	2019	2018
	\$	\$
NON-CURRENT		
Related party payables	914,886	344,838
Total non-current borrowings	914,886	344,838

15 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Provision for employee benefits	32,758	16,924
	32,758	16,924

16 Issued Capital

	2019	2018
	\$	\$
1 (2018: 1) Ordinary shares	1	1

17 Tax assets and liabilities

	2019	2018
	\$	\$
Income tax payable	-	23,434

18 Key Management Personnel Remuneration

No payments were made to key management personnel during the year.

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018:None).

20 Related Parties

(a) The Company's main related parties are as follows:

The ultimate parent entity, which exercises control over the Company, is Nielsen+Partner Unternehmensberater GmbH which is incorporated in Germany and owns 100% of Nielsen & Partners Pty Ltd.

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2019

20 Related Parties (cont'd)

(a) **The Company's main related parties are as follows: (cont'd)**

Key management personnel - refer to Note 18.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Purchases	Balance outstanding Owed to the company	Owed by the company
	\$	\$	\$
Parent			
Intercompany loan	-	-	740,109
Interest expense on intercompany loan	-	-	14,047
Purchases from parent	91,331	-	87,420
Nielsen & Partner Pte Ltd			
Purchases from related party	160,094	-	-
Nielsen+Partner S.A			
Intercompany loan	-	-	159,897
Interest expense	-	-	833

(c) **Loans to/from related parties**

Unsecured loans are made from the ultimate parent entity, subsidiaries, key management personnel and other related parties on an arm's length basis. Repayment terms are set for each loan, which range from 1 to 3 years. Interest is payable at 2.50% (2018: 2.50) and monthly principal and interest repayments are made over the terms of the loans. Loans are unsecured and repayable in cash.

	Opening balance	Closing balance	Interest paid/payable
	\$	\$	\$
Loans from ultimate parent & related parties			
2019	344,838	900,006	13,534
2018	-	344,838	1,346

Nielsen & Partners Pty Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2019

21 Going Concern

The Company has received a letter of financial support from its parent company, Nielsen+Partner Unternehmensberater GmbH, stating that the parent company is willing to provide financial assistance to the Company in the event that the Company may not be able to meet its debts as they fall due.

22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 12 March 2020 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

23 Statutory Information

The registered office and principal place of business of the company is:
Nielsen & Partners Pty Ltd
Level 23, 52 Martin Place
Sydney NSW 2000

Nielsen & Partners Pty Ltd

ABN 50 624 699 627

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Manuel Brunckhorst

Dated 12 March 2020

Nielsen & Partners Pty Ltd

Independent Audit Report to the members of Nielsen & Partners Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nielsen & Partners Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for Qualified Opinion

The prior year comparative figures of this financial report have not been audited. Due to time and practical constraints, we were unable to satisfy ourselves as to the correctness or reasonableness of prior year comparative figures.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Nielsen & Partners Pty Ltd

Independent Audit Report to the members of Nielsen & Partners Pty Ltd

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Nielsen & Partners Pty Ltd

Independent Audit Report to the members of Nielsen & Partners Pty Ltd

We communicate with the directors 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 the directors 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.

Felsers
Chartered Accountants

Steven Zabeti
Partner

Sydney
12 March 2020

NIELSEN&PARTNER COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Nielsen&Partner Co., Ltd.

Opinion

I have audited the financial statements of Nielsen&Partner Co., Ltd., which comprise the statements of financial position as at December 31, 2019, the statements of income, and statements of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 to the financial statements. As at 31 December 2019, the Company has incurred a significant deficit excess capital amounting to Baht 784,019.43. This factor raises doubts that the Company might have problem to continue as a going concern. However, the major shareholders still financially support the Company.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Duangkamol Intarapavich

Certified Public Accountant

Registration No. 11127

Bangkok, Thailand

31 January 2020

Nielsen&Partner Co., Ltd.
Statement of Financial Position
As at 31 December 2019

Assets

	Baht	
	2019	2018
Current Assets		
Cash and cash equivalents	14,119,927.28	2,480,520.58
Trade receivable	6,826,771.15	5,963,225.50
Other current assets	69,711.86	191,642.47
Total Current Assets	<u>21,016,410.29</u>	<u>8,635,388.55</u>
Non - Current Assets		
Other non-current assets	60,097.00	60,097.00
Total Non - Current Assets	<u>60,097.00</u>	<u>60,097.00</u>
Total Assets	<u>21,076,507.29</u>	<u>8,695,485.55</u>

The accompanying notes are an integral part of these financial statements.

Nielsen&Partner Co., Ltd.
Statement of Financial Position
As at 31 December 2019

Liabilities and Equity

		Baht	
	<u>Note</u>	2019	<u>2018</u>
Current Liabilities			
Trade and other payables	4	21,211,133.20	5,314,125.76
Short-term loan from related company	5		3,789,666.49
Other current liabilities		<u>649,393.52</u>	<u>411,776.31</u>
Total Current Liabilities		<u>21,860,526.72</u>	<u>9,515,568.56</u>
Total Liabilities		<u>21,860,526.72</u>	<u>9,515,568.56</u>
Equity			
Authorised share capital			
- 10,000 ordinary shares of Baht 100 each		<u>1,000,000.00</u>	<u>1,000,000.00</u>
Issued and paid-up share capital			
- 10,000 ordinary shares of Baht 100 each		1,000,000.00	1,000,000.00
Deficit		<u>(1,784,019.43)</u>	<u>(1,820,083.01)</u>
Equity - net		<u>(784,019.43)</u>	<u>(820,083.01)</u>
Total liabilities and Equity		<u>21,076,507.29</u>	<u>8,695,485.55</u>

The accompanying notes are an integral part of these financial statements.

Nielsen&Partner Co., Ltd.

Statement of Income

For the year ended 31 December 2019

	Baht	
	2019	2018
Revenues		
Service income	24,761,621.07	5,615,094.83
Other income	<u>869,955.91</u>	<u>119,009.36</u>
Total Revenues	<u>25,631,576.98</u>	<u>5,734,104.19</u>
Expenses		
Cost of services	20,798,845.73	4,246,591.45
Administrative expense	<u>4,724,173.14</u>	<u>3,265,373.66</u>
Total Expenses	<u>25,523,018.87</u>	<u>7,511,965.11</u>
Profit (Loss) before finance cost	108,558.11	(1,777,860.92)
Finance cost	<u>72,494.53</u>	<u>42,222.09</u>
Net profit (loss) for the year	<u>36,063.58</u>	<u>(1820,083.01)</u>

The accompanying notes are an integral part of these financial statements.

Nielsen&Parmer Co., Ltd.

Statement of Changes in Shareholder

For the year ended 31 December 2019

	<u>Baht</u>		
	Issued and Paid - up	Retained Earning	
	<u>share capital</u>	<u>(Deficit)</u>	<u>Total</u>
Balance as at 28 March 2018	1,000,000.00		1,000,000.00
Net loss for the period	_____	(1,820,083.01)	(1,820,083.01)
Balance as at 31 December 2018	1,000,000.00	(1,820,083.01)	(820,083.01)
Net profit for the year	_____	36,063.58	36,063.58
Balance as at 31 December 2019	<u>1,000,000.00</u>	<u>(1,784,019.43)</u>	<u>(784,019.43)</u>

The accompanying notes are an integral part of these financial statements.

Nielsen Partner Co., Ltd. Notes
to Financial Statements
For the period ended 31 December 2019

1. General Information

The Company was registered as a limited company under the Thai Civil and Commercial Code on 28 March 2018 to engage principally in business of digital architecture design services. The address of its registered office is located at UA Floor Unit BI, B2 Siam Piwat Tower 989 Rama 1 Road, Pathumwan Bangkok, Thailand.

9s. Basis of preparation

These financial statements have been prepared in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs) as issued by the Federation of Accounting Professions (FAP).

The financial statements have been prepared under the historical cost convention.

An English version of the company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail

3. Accounting Policies

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Accounts receivable

Accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Account and other payables

Account and other payables are stated at cost.

Income tax

The Company recognized tax obligations on a tax basis described in the Revenue Code.

Revenue and expense recognition

Revenue is recognized when service is rendered to the customer. Other income and expense are recognized on an accrual basis.

Use of accounting estimates

Preparation of financial statements in conformity with Thai Financial Reporting Standard (TFRS) for non-publicly accountable entities (NPAEs) requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosures on contingent assets and liabilities. Actual results may differ from those estimates.

Provisions for liabilities and expenses, and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

4. Trade and other payables

	2019	2018
Trade payables	21,025,412.37	4,823,020.85
Accrued expenses	185,720.83	491,104.91
Total	<u>21,211,133.20</u>	<u>5,314,125.76</u>

5. Short-term loan from related company

As at 31 December 2019, the balance of short-term loan from related company is nil. The company repaid the loan in full amount in November 2019.

As at 31 December 2018, the Company had short-term loan from NIELSEN+PARTNER Unternehmensberater GmbH amounting to Baht 3,748,840.00 (Euro 100,000.00). This short-term loan has interest charged at the rate of 2.50 % per annum.

	Baht	
	2019	2018
Short-term loan from NIELSEN+PARTNER Unternehmensberater GmbH		3,748,840.00
<u>Add</u> Interest payable		40,826.49
Total		<u>3,789,666.49</u>

6. Reclassification

Certain corresponding figures for the year ended 31 December 2018 have been reclassified to conform to the current year's classification. The details of reclassification are as follows.

	Before		After
	reclassified	Reclassified	reclassified
Statements of Financial Position			
Account payables	4,823,020.85	491,104.91	5,314,125.76
Other payables	491,104.91	(491,104.91)	

The reclassification had no effect to previously reported loss

7. Promotional Privileges

The Company has been granted promotional privileges approved by the Board of Investment under the Thai Investment Promotion Act B.E. 2520, for trade and investment supporting, under certificate NO.61-0875-1-00-1-0 dated 4th July 2018, the Company must comply with the conditions and restrictions provided for the promotional certificate

8. Approval Of The Financial Statements

These financial statements have been approved by the Company's Directors.

LYMBYC SOLUTIONS PRIVATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

LYMBYC SOLUTIONS PRIVATE LIMITED

Directors' Report

Dear Members,

The Directors have pleasure in presenting their 8th Annual report of the Company and audited accounts for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS

(INR in Lakhs)

Particulars	2019-20	2018-19
Total Income	955.34	704.56
Profit / (Loss) before Tax	118.29	7.55
Less : Provision for Tax	47.65	1.27
Net Profit / (Loss) after Tax	70.64	6.28
Add: Balance brought forward from previous year	147.07	140.79
Balance to be carried forward	217.71	147.07

2. STATE OF COMPANY AFFAIRS

The gross sales and other income for the financial year under review were INR 955.34 Lakhs as against INR 704.56 Lakhs for the previous financial year registering an increase of 26.25%. The profit after tax including extraordinary and exceptional items was INR 70.64 Lakhs for the financial year under review as against profit of INR 6.28 Lakhs for the previous financial year.

3. CHANGE IN MANAGEMENT & CONTROL

During the year under review, Larsen & Toubro Infotech Limited acquired 11,45,422 equity shares of Rs. 10 each representing 100% shareholding of the Company as on August 29, 2019. Accordingly, the Company is now a wholly owned subsidiary of Larsen & Toubro Infotech Limited.

4. CHANGE IN SHARE CAPITAL

During the year under review, there is no change in share capital of the company.

5. CAPITAL EXPENDITURE

As at March 31, 2020, the gross fixed and intangible assets, stood at Rs. 469.75 Lakhs (previous year Rs. 369.97 Lakhs and the net fixed and intangible assets, at Rs. 408.31 Lakhs (previous year Rs. 290.97 Lakhs). Capital Expenditure during the year amounted to Rs. 1.08 Lakhs.

6. DEPOSITS

During the year ended March 31, 2020, the Company has not accepted any deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

7. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

As at March 31, 2020, the Company has one subsidiary Lymbyc Solutions Inc., USA, details of which is provided under MGT-9, **Annexure B** to this Report. There has been no material change in the nature of the business of subsidiary.

A statement containing the salient features of the financial statement of subsidiaries/ associate/ joint venture companies as per form AOC-1 is annexed as **Annexure C** to this Report.

8. TRANSFER TO RESERVES

The Directors do not propose to transfer any amount to reserves during the period under review.

9. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

The Company has not given any loan, guarantees, security or made any investment during the financial year 2019-20 as specified under section 186 of Companies Act, 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions entered with related parties during the financial year 2019-20 were in the ordinary course of business and at arm's length. Particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013, in FORM AOC-2 is attached as **Annexure A**.

11. DIVIDEND

With a view to improve the business performance and conserve financial resources, the Directors have not recommended dividend on equity shares for the financial year 2019-20.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

After March 31, 2020 and upto the date of this report, there has been no material changes and commitments affecting the financial positions of the Company except the following:

➤ **Shifting of Registered Office from State of Tamil Nadu to State of Maharashtra**

The Company made an application with Regional Director, Chennai on March 21, 2020 for shifting the registered office of the Company from State of Tamil Nadu to State of Maharashtra under the Registrar

of Companies, Mumbai, for administrative convenience, effective management of compliances and ease of liaising with common regulatory authorities. As on the date of this report, approval of Regional Director is awaited on the said application.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- A. The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information as per Rule 8 Companies (Accounts) Rules, 2014.
- B. No technology has been developed and / or imported by way of foreign collaboration.
- C. Foreign exchange earnings and outgo:

S.N	PARTICULARS	AMOUNT (Rs in Lakhs)	
		31 ST MARCH 2020	31 ST MARCH 2019
1	Earnings in Foreign Exchange during the year	345.26	506.60
2	Expenditure in Foreign Exchange during the year	45.36	4.06

14. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review, following were the changes in the Board Members:

- (a) The Board of Directors of the Company at its meeting held on August 29, 2019 appointed Mr. Nachiket Deshpande and Mr. Ashok Kumar Sonthalia as Additional Non-Executive Directors of the Company with effect from August 29, 2019 to hold office upto the ensuing Annual General meeting ('AGM') of the Company.
- (b) Mrs. Hemalatha Rajan stepped down from the Board of Directors with effect from August 29, 2019. The Board places on record the valuable contribution made by Mrs. Hemalatha Rajan during her tenure as a Director of the Company.

The Notice convening the 8th AGM in 2020 includes appointment of following directors:

- (a) Mr. Satyakam Mohanty, Director of the Company, is retiring by rotation at the ensuing AGM of the Company and being eligible, offers himself for re-appointment.
- (b) Appointment of Mr. Nachiket Deshpande and Mr. Ashok Kumar Sonthalia as Non-Executive Directors of the Company.

Details of Directors proposed to be appointed as required under Secretarial Standard 2 on General Meetings ('SS-2') is given in the Notice convening the AGM in 2020.

During the year under review, Mr. Satyakam Mohanty ceased to be an employee of the Company. Hence, the Company as of the date of this report does not have Key Managerial Personnel.

15. MEETINGS OF THE BOARD OF DIRECTORS

The Board Meetings were convened at appropriate intervals with a maximum time gap not exceeding more than 120 days between two consecutive meetings. During the year under review, five meetings of the Board of Directors of the Company were held on June 12,2019, August 29, 2019, September 23,2019, December 9, 2019 and February 11, 2020. Attendance of the Board members at these meeting was as under:

Name of Director	Category	No. of Meetings held during the year vis-à-vis Members Tenure	No. of Meetings Attended
Mr. Satyakam Mohanty	Director	5	5
Mrs. Hemalatha Rajan*	Director	2	2
Mr. Nachiket Deshpande#	Additional Non-Executive Director	3	3
Mr. Ashok Kumar Sonthalia#	Additional Non-Executive Director	3	3

**Ceased to be a Director of the Company with effect from August 29, 2019*

#Appointed as Additional Non-Executive Directors of the Company with effect from August 29, 2019

16. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Companies 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 disclosure.

17. RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal. However, Larsen & Toubro Infotech Limited ('LTI'), holding company, has formulated a Risk Management Policy and the Company being wholly-owned subsidiary, is being covered by the Risk Management Policy of LTI.

18. STATUTORY AUDITOR

M/s A. John Morris & Co., Chartered Accountants [Registration No. 007220S] were appointed as Statutory Auditor of the Company by the Shareholders at the 4th AGM held in 2016 for a period of four years from the conclusion of 4th AGM till the conclusion of 8th AGM of the Company to be held in 2020.

The Board of Directors of the Company at their 54th Meeting held on May 8, 2020, proposed re-appointment of M/s A. John Morris & Co., Chartered Accountants, as the Statutory Auditors for a continuous period of five years from the conclusion of the 8th AGM of the Company till the conclusion of the 11th AGM of the Company. The Statutory Auditors have informed that their re-appointment, if made, would be in line with the requirement prescribed under Section 141 of the Companies Act, 2013.

The Auditor's Report on the audited Financial Statements of the Company for the year ended March 31, 2020 does not contain any qualification and therefore do not call for any comments from Directors. Further the Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

19. EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013 an extract of the Annual Return is attached as Annexure B.

20. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

21. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a policy on prevention of Sexual Harassment 'Policy Against Sexual Harassment', in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Directors wish to state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

23. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

24. **ACKNOWLEDGEMENTS**

The Directors take this opportunity to thank the Company's customers, vendors, management of the Holding Company, Financial Institutions, Banks, Central and State Government authorities, and all other stakeholders for their continued co-operation and support to the Company. The Directors also wish to place on record their appreciation for the employees of the Company for their commendable efforts, teamwork and professionalism.

For and on behalf of the Board of Directors

Date: May 8, 2020

Ashok Kumar Sonthalia
Director
(DIN: 03259683)
Place : Mumbai

Satyakam Mohanty
Director
(DIN: 06366166)
Place: Bangalore

ANNEXURE – A**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Rs.)	Date(s) of approval by the Board	Amount paid as advances, if any: (Amount in Rs.)
Larsen and Toubro Infotech Limited – Holding Company	Sale of Services	FY2019-20	18,659,980	Not Applicable	-
Larsen and Toubro Infotech Limited – Holding Company	Purchase of Services	FY2019-20	11,208,261	Not Applicable	-

For and on behalf of the Board of Directors

Ashok Kumar Sonthalia
Director
(DIN: 03259683)
Place : Mumbai

Satyakam Mohanty
Director
(DIN: 06366166)
Place: Bangalore

Date: May 8, 2020

ANNEXURE -B**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]**i) REGISTRATION AND OTHER DETAILS:**

S.N.	Particulars	
1	CIN	U74900TN2012PTC087141
2	Registration Date	09/08/2012
3	Name of the Company	LYMBYC SOLUTIONS PRIVATE LIMITED
4	Category/ Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office and contact details	Plot No. 3726, Door No. 41, 'Ma Foi House', 6th Avenue, Q- Block, Anna Nagar Chennai Chennai TN 600040 Tel: 044-49109999 Email: info@lymbyc.com
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

ii) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

S. N.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Management Consultancy Activities	70200	100

iii) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Larsen & Toubro Infotech Limited Add: L&T House, N. M. Marg, Ballard Estate, Mumbai-400001	L72900MH1996PLC104693	Holding Company	100.00	2(46)

2	Lymbyc Solutions Inc, USA Add: 1452, HUGHES ROAD, SUITE # 200, GRAPEVINE, TEXAS - 76051, USA	NA	Wholly owned Subsidiary	100.00	2(87)
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iv) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	0	3,58,782	3,58,782	31.32	0	1	1	0.00	(31.32)
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	0	0	0.00	0	11,45,421	11,45,421	100.00	100.00
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A1)	0	3,58,782	3,58,782	31.32	0	11,45,422	11,45,422	100.00	68.68
(2)	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	0	0	0.00					
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A1 + A2)	0	3,58,782	3,58,782	31.32	0	11,45,422	11,45,422	100.00	68.68
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0
(b)	Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
(c)	Central Government	0	0	0	0	0	0	0	0	0
(d)	State Government(s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0

	Sub-total (B1)	0	0	0	0	0	0	0	0	0
(2)	Non – Institutions	0	0	0	0	0	0	0	0	0
(a)	Individuals	0	0	0	0	0	0	0	0	0
	i) Individual Shareholders holding nominal Equity Share Capital up to Rs.1 Lakh	0	29,560	29,560	2.58	0	0	0	0	(2.58)
	ii) Individual Shareholders holding nominal Equity Share Capital in excess of Rs.1 Lakh	0	7,57,080	7,57,080	66.10	0	0	0	0	(66.10)
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
(i)	Foreign Nationals	0	0	0	0	0	0	0	0	0
(ii)	Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(ii)	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
(iv)	Non Resident Indians (Non-Repat)	0	0	0	0	0	0	0	0	0
(v)	Clearing Member	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0
	Sub-total (B2)	0	7,86,640	7,86,640	68.68	0	0	0	0	(68.68)
	Total Public Shareholding (B) = (B1 + B2)	0	7,86,640	7,86,640	68.68	0	0	0	0	(68.68)
	TOTAL (A+B)	0	11,45,422	11,45,422	100.00	0	11,45,422	11,45,422	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	0	11,45,422	11,45,422	100.00	0	11,45,422	11,45,422	100.00	0.00

Note: On August 29, 2019, Larsen & Toubro Infotech Limited ('LTI') acquired from the existing shareholders 100% shareholding of the Company comprising of 11,45,422 equity shares of Rs. 10/- each. Mr. Kedar Krishna Gadgil holds one equity share as a nominee of LTI.

b) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mrs. Hemalatha Rajan	3,58,782	31.32	0.00	0	0.00	0.00	(31.32)
2	Larsen & Toubro Infotech	0	0.00	0.00	11,45,421	100.00	0.00	100.00

	Limited							
3	Kedar Gadgil	0	0.00	0.00	1	0.00	0.00	0.00
	Total	3,58,782	31.32	0.00	11,45,422	100.00	0.00	68.68

Note: On August 29, 2019, Larsen & Toubro Infotech Limited ('LTI') acquired from the existing shareholders 100% shareholding of the Company comprising of 11,45,422 equity shares of Rs. 10/- each. Mr. Kedar Krishna Gadgil holds one equity share as a nominee of LTI.

c) Change in Promoters' Shareholding:

S.N.	Particulars	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Mrs. Hemalatha Rajan		3,58,782	31.32	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	August 29, 2019 (Transfer)	-	-	(3,58,782)	0	0.00
	At the end of the year		-	-	-	0	0.00
2	LARSEN & TOUBRO INFOTECH LIMITED		0	0.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	August 29, 2019 (Acquisition)	-	-	11,45,422*	11,45,422*	100.00
	At the end of the year		-	-	-	11,45,422	100.00

* Includes one equity share held by Mr. Kedar Gadgil as a nominee of Larsen & Toubro Infotech Limited

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	Mr. Satyakam Mohanty		4,98,404	43.51	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	August 29, 2019 (Transfer)	-	-	(4,98,404)	0	0.00
	At the end of the year		-	-	-	0	0.00
2	Mrs. Hemalatha Rajan		3,58,782	31.32	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	August 29, 2019 (Transfer)	-	-	(3,58,782)	0.00	0.00
	At the end of the year		-	-	-	0	0.00

#Ceased to be a Director of the Company with effect from August 29, 2019

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in INR)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	2,20,00,000	NIL		2,20,00,000
ii) Interest due but not paid	0			0
iii) Interest accrued but not due	64,867			64,867
Total (i+ii+iii)	2,20,64,687	NIL		2,20,64,687

Change in Indebtedness during the financial year:			
• Addition		4,00,00,000	4,00,00,000
• Reduction	2,20,64,687	1,00,00,000	3,20,64,687
Net Change	0	3,00,00,000	3,00,00,000
Indebtedness at the end of the financial year:			
i) Principal Amount	0	3,00,00,000	3,00,00,000
ii) Interest due but not paid	0	4,63,454	4,63,454
iii) Interest accrued but not due	0	0	0
Total (i+ii+iii)	0	3,04,63,454	3,04,63,454

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (DURING THE FINANCIAL YEAR 2019-20)

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

S. N.	Particulars of Remuneration	Mr. Satyakam Mohanty* (WTD)
1	Gross salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67,41,308
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
2	No. of Stock Options granted	-
3	Sweat Equity	-
4	Commission: - as % of profit -others,	-
5	Others (please specify):	-
	1. Variable Compensation	-
	2. Contribution to Provident Fund & Superannuation Fund	19,800
	Total (A)	67,61,108

* Mr. Satyakam Mohanty ceased to be an employee of the Company during the year under review, however, he received remuneration in his professional capacity as a Director of the Company.

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Fee for attending Board Meetings	Commission	Total Amount
	Non-Executive Directors			
1	Mrs. Hemalatha Rajan#	0	0	0
2	Mr. Nachiket Deshpande*	0	0	0

3	Mr. Ashok Kumar Sonthalia*			
	Total Remuneration	0	0	0

#Ceased to be a Director of the Company with effect from August 29, 2019

**Appointed as Additional Directors with effect from August 29, 2019*

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: Not Applicable

viii) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board of Directors

Date: May 8, 2020

Ashok Kumar Sonthalia
Director
(DIN: 03259683)
Place : Mumbai

Satyakam Mohanty
Director
(DIN:06366166)
Place: Bangalore

ANNEXURE – C**FORM AOC-I***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules 2014)***Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

S.N	Particulars	Lymbyc Solutions US
1	Date of becoming subsidiary	12-Jan-2014
2	Reporting period for the subsidiary	FY2019-20
3	Reporting currency	USD
4	Exchange rate as on the last date of the relevant financial year	75.4175
5	Share capital	USD 92,893.00
6	Reserves & surplus	USD (1,48,787.00)
7	Total assets	NIL
8	Total Liabilities	NIL
9	Investments	NIL
10	Turnover	NIL
11	Profit before taxation	USD (5,193)
12	Provision for taxation	NIL
13	Profit after taxation	USD (5,193)
14	Proposed Dividend	NA
15	% of shareholding	100

For and on behalf of the Board of Directors

Ashok Kumar Sonthalia
 Director
 (DIN: 03259683)
 Place: Mumbai

Satyakam Mohanty
 Director
 (DIN: 06366166)
 Place: Bangalore

Date: May 8, 2020

INDEPENDENT AUDITORS' REPORT

To:

The Members of
M/s. Lymbyc Solutions Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of M/s. Lymbyc Solutions Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with the standards on auditing 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 financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of

the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No. 007220 S

G. Kumar
Senior Partner
Membership No. 023082
UDIN:
Place: Mumbai
Date: May 08, 2020

Annexure "A" to the Independent Auditor's Report*

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of M/s. Lymbyc Solutions Private Limited of even date)

1. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period, which is in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

2. Since, The Company is Service Provider and does not deals with any Inventory. Accordingly, paragraph 3 (ii) of the order is not applicable.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

7. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. The company is a deemed public limited company, The Director has been paid the remuneration in his professional capacity and hence provision of section 197 read with schedule V of the companies Act was not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.

12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14 According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

15 According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16 According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For A. John Moris & Co.,
Chartered Accountants
Firm Registration No. 007220 S

G. Kumar
Senior Partner
Membership No. 023082
UDIN:
Place: Mumbai
Date: May 08, 2020

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Lymbyc Solutions Private Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Lymbyc Solutions Private Limited (“the Company”) as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in 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 control 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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For A. John Moris & Co.,

Chartered Accountants

Firm Registration No.007220 S

G. Kumar

Senior Partner

Membership No. 023082

UDIN:

Place: Mumbai

Date: May 08, 2020

Lymbyc Solutions Private Limited

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	As at Mar 31, 2020	As at Mar 31, 2019	As at April 1, 2018
		Amounts (INR)	Amounts (INR)	Amounts (INR)
ASSETS				
Non - Current Assets				
(a) Property, Plant and Equipment	1	-	712,630	860,241
(b) Other Intangible assets	1	38,089,324	117,105	290,873
(c) Intangible assets under development	1	2,741,764	28,267,554	7,173,591
(d) Financial Assets				
(i) Investments	2	5,617,458	5,617,458	7,731,487
(ii) Loans	2	88,411	88,411	88,411
(iii) Other Financial Assets	2	3,681,987	4,122,163	3,857,151
(e) Deferred Tax Assets (Net)	10	-	2,483,986	2,308,669
(f) Income tax Assets (net)	15	6,300,733	1,641,360	-
Total Non-Current Assets		56,519,676	43,050,668	22,310,423
Current assets				
(a) Financial Assets				
(i) Trade receivable	3	5,322,234	16,741,971	25,177,005
(ii) Cash and Cash Equivalents	4	5,857,956	276,947	22,973,935
(iii) Loans	5	-	-	68,800
(iv) Other Financial Assets	6	-	33,610	-
(b) Other current assets	7	16,190,751	3,421,354	2,328,880
Total Current Assets		27,370,940	20,473,881	50,548,620
TOTAL ASSETS		83,890,617	63,524,549	72,859,043
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	8	11,454,220	11,454,220	11,454,220
(b) Other Equity				
(i) Other Reserves		4,686,771	4,686,771	4,686,771
(i) Retained Earnings	9	21,770,937	14,707,195	14,078,788
Total Equity		37,911,928	30,848,186	30,219,779
Liabilities				
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	30,463,454	22,064,867	13,408,483
(ii) Trade Payables				
Due to others	12	13,433,789	3,038,412	17,880,898
(b) Other Current Liabilities	14	1,317,700	858,352	1,667,895
(c) Provisions	14A	763,746	6,714,732	8,560,921
(d) Current income tax Liabilities (Net)	15	-	-	945,231
Total Current Liabilities		45,978,688	32,676,362	42,639,264
TOTAL EQUITY AND LIABILITIES		83,890,616	63,524,549	72,859,043

Notes referred to above form an integral part of Balance sheet

As per our report of even date attached.

For and on Behalf of the Board

A. John Moris & Co.,

Chartered Accountants

ICAI Firm Reg.No. 007220 S

Mr. SATYAKAM MOHANTY

Director

(DIN : 06366166)

G. Kumar

Partner

M.No.: 023082

Mr. ASHOK SONTHALIA

Director

(DIN : 03259683)

Place: Mumbai

Date: 08th May 2020

Lybyc Solutions Private Limited**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020**

Particulars	Note	2019-20	Aug - Mar 20	2018-19
		Amounts (INR)	Amounts (INR)	Amounts (INR)
Total Income:				
Revenue from Operations	16	95,387,922	63,319,698	70,944,112
Other Income	17	146,571	287,779	(487,938)
		95,534,493	63,607,477	70,456,174
Expenses:				
Employee Benefit Expense	18	33,494,283	15,976,767	35,556,393
Operating expenses	19	17,313,663	12,394,979	24,004,531
Finance costs		9,334,390	2,077,954	1,711,153
Depreciation and Amortisation		6,466,426	6,303,125	889,299
Other expenses	20	17,096,522	13,359,276	7,539,647
Total Expenses		83,705,284	50,112,101	69,701,024
Profit before tax		11,829,209	13,495,377	755,151
Tax expense				
Current tax (net)		1,875,000	2,281,481	302,060
Adjustments of current tax of previous year		406,481	-	-
Deferred Tax Expenses		2,483,986	592,917	(175,317)
		4,765,467	2,874,398	126,743
Profit after tax		7,063,742	10,620,979	628,407
NET PROFIT FOR THE YEAR		7,063,742	10,620,979	628,407
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,063,742	10,620,979	628,407

Notes referred to above form an integral part of Profit & Loss Account

As per our report of even date attached.

A. John Moris & Co.,

Chartered Accountants

ICAI Firm Reg.No. 007220 S

G. Kumar

Partner

M.No.: 023082

Place: Mumbai

Date: 08th May 2020

For and on Behalf of the Board

Mr. SATYAKAM MOHANTY

Director

(DIN : 06366166)

Mr. ASHOK SONTALIA

Director

(DIN : 03259683)

Lymbyc Solutions Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2020

Particulars	2019-20	2018-19
	Amounts (INR)	Amounts (INR)
A. Cash flow from operating activities		
Net profit before tax	11,829,209	755,151
Adjustments for:		
Depreciation and amortisation	6,466,426	889,299
Interest received	-	(378,058)
Operating profit before working capital changes	18,295,635	1,266,391
Changes in working capital		
(Increase)/decrease in trade receivables and unbilled revenue	11,419,737	8,435,034
(Increase)/decrease in other receivables	(16,954,983)	(849,628)
Increase/(decrease) in trade & other payables	4,903,739	(17,674,055)
(Increase)/decrease in working capital	(631,507)	(10,088,648)
Cash generated from/(used in) operations	17,664,128	(8,822,257)
Direct taxes paid	(2,281,480)	(1,247,291)
Net cash from operating activities	15,382,649	(10,069,548)
B. Cash flow from investing activities		
Purchase of fixed assets	(18,200,226)	(21,661,883)
Interest received	-	378,058
Net cash used in/(generated from) investing activities	(18,200,226)	(21,283,825)
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from/(repayment) of borrowings	8,398,587	8,656,384
Net cash from financing activities	8,398,587	8,656,384
Net increase in cash and cash equivalents	5,581,009	(22,696,989)
Opening Cash and cash equivalents	276,947	22,973,935
Increase in Cash and Cash Equivalents due to previous year adjustments	-	-
Closing Cash and cash equivalents	5,857,956	276,947

Notes referred to above form an integral part of Profit & Loss Account
As per our report of even date attached.

A. John Moris & Co.,
Chartered Accountants
ICAI Firm Reg.No. 007220 S

G. Kumar
Partner
M.No.: 023082

Place: Mumbai
Date: 08th May 2020

For and on Behalf of the Board

Mr. SATYAKAM MOHANTY
Director
(DIN : 06366166)

Mr. ASHOK SONTHALIA
Director
(DIN : 03259683)

Lymbyc Solutions Private Limited**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Amounts (INR)				
	Share Capital	General Reserve	Share Premium	Retained Earnings	Total Equity
Balance as on April 1, 2019	11,454,220	500,000	4,186,771	14,707,195	30,848,186
Net Profit for the year	-	-	-	7,063,742	7,063,742
Other changes/ Trf to general reserve.	-	-	-	-	-
Balance as on March 31, 2020	11,454,220	500,000	4,186,771	21,770,937	37,911,928

As per our report of even date attached.

A. John Moris & Co.,
Chartered Accountants
ICAI Firm Reg.No. 007220 S

G. Kumar
Partner
M.No.: 023082

Place: Mumbai
Date: 08th May 2020

For and on Behalf of the Board

Mr. SATYAKAM MOHANTY
Director
(DIN : 06366166)

Mr. ASHOK SONTHALIA
Director
(DIN : 03259683)

Lymbyc Solutions Private Limited
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Amounts (INR)				
	Share Capital	General Reserve	Share Premium	Retained Earnings	Total Equity
Balance as on April 1, 2018	11,454,220	500,000	4,186,771	14,078,788	30,219,779
Net Profit for the year	-	-	-	628,407	628,407
Other changes/ Trf to general reserve.	-	-	-	-	-
Balance as on March 31, 2019	11,454,220	500,000	4,186,771	14,707,195	30,848,186

As per our report of even date attached.

A. John Moris & Co.,
Chartered Accountants
ICAI Firm Reg.No. 007220 S

G. Kumar
Partner
M.No.: 023082

Place: Mumbai
Date: 08th May 2020

For and on Behalf of the Board

Mr. SATYAKAM MOHANTY
Director
(DIN : 06366166)

Mr. ASHOK SONTHALIA
Director
(DIN : 03259683)

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

1. Property, Plant & Equipment

Fixed and Intangible Assets	Gross Block				Depreciation/Amortisation			Net Block		
	As at 1- April-19	Additions	Deductions / Transfer	As at 31-Mar-20	As at 1- April-19	For the year	On Deductions	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Tangible Assets										
Owned Computers	4,226,900	107,709	4,334,609	-	3,683,351	208,717	3,892,068	-	-	543,549
Office equipments	1,094,433	-	1,094,433	-	982,688	33,091	1,015,779	-	-	111,745
Furniture and fixtures	1,066,422	-	1,066,422	-	1,009,086	3,109	1,012,195	-	-	57,336
Total of tangible assets	6,387,755	107,709	6,495,464	-	5,675,125	244,917	5,920,042	-	-	712,630
Intangible assets										
Software	2,342,102	44,232,763	2,342,102	44,232,763	2,224,997	6,221,510	2,303,068	6,143,439	38,089,324	117,105
Sub total intangible assets	2,342,102	44,232,763	2,342,102	44,232,763	2,224,997	6,221,510	2,303,068	6,143,439	38,089,324	117,105
Capital work in progress - Internally capitalised softwares*	28,267,554	18,706,973	44,232,763	2,741,764	-	-	-	-	2,741,764	28,267,554
Total of intangible assets	30,609,656	62,939,736	46,574,865	46,974,527	2,224,997	6,221,510	2,303,068	6,143,439	40,831,088	28,384,659

*A Internal Software Development work which was carried out for past few years has been successfully completed and Transferred to Software duriing the year. A New development is also being initiated from the existing planned software, which is bifurcated and shown as Capital Work in Progress.

Lymbyc Solutions Private Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

1. Property, Plant & Equipment

Fixed and Intangible Assets	Gross Block				Depreciation/Amortisation			Net Block		
	As at 1- April-18	Additions	Deductions	As at 31-Mar-19	As at 1- April-18	For the year	On Deductions	As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
Tangible Assets										
<u>Computers</u>										
Owned Computers	3,756,810	505,090	35,000	4,226,900	3,380,603	317,748	15,000	3,683,351	543,549	376,207
Office equipments	1,019,853	74,580	-	1,094,433	813,024	169,664	-	982,688	111,745	206,829
Furniture and fixtures	1,060,672	10,750	5,000	1,066,422	783,467	228,119	2,500	1,009,086	57,336	277,205
Sub total tangible assets	5,837,335	590,420	40,000	6,387,755	4,977,094	715,531	17,500	5,675,125	712,630	860,241
Total of tangible assets	5,837,335	590,420	40,000	6,387,755	4,977,094	715,531	17,500	5,675,125	712,630	860,241
Intangible assets										
Software	2,342,102	-	-	2,342,102	2,051,229	173,768	-	2,224,997	117,105	290,873
Sub total intangible assets	2,342,102	-	-	2,342,102	2,051,229	173,768	-	2,224,997	117,105	290,873
Capital work in progress - Internally capitalised softwares	7,173,591	21,093,963	-	28,267,554	-	-	-	-	28,267,554	7,173,591
Total of intangible assets	9,515,693	21,093,963	-	30,609,656	2,051,229	173,768	-	2,224,997	28,384,659	7,464,464

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

2 Non- Current Assets	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
(i) Financial Assets			
Investments in Equity instruments			
Long term investment in subsidiaries			
92893 shares of Lymbyc Solutions Inc. USA (State of Texas) @ 1 USD per share	5,617,458	5,617,458	5,617,458
Investment in Equity shares of Controllr Software Inc.	-	-	2,114,029
	5,617,458	5,617,458	7,731,487
(ii) Loans	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Security Deposits	83,061	83,061	83,061
Unsecured -Considered good	5,350	5,350	5,350
	88,411	88,411	88,411
(iii) Other Financial Assets	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Advances recoverable in cash or in kind	3,681,987	4,122,163	3,857,151
	3,681,987	4,122,163	3,857,151
3 Trade receivables	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Trade receivables			
Considered good - Unsecured	5,447,144	16,741,971	25,177,005
Less : Allowance as per ECL matrix	(124,910)	-	-
	5,322,234	16,741,971	25,177,005
Credit impaired			
(Less) Allowance for BDD	-	-	-
	5,322,234	16,741,971	25,177,005
4 Cash & Cash Equivalent	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Cash on hand	-	10,253	18,924
Balances with Bank			
- In current accounts	5,857,957	266,694	22,955,011
Domestic			
	5,857,957	276,947	22,973,935
5 Loans	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Security Deposits			
-Considered good - Unsecured	-	-	68,800
	-	-	68,800
6 Other Financial Current Assets	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Advances to Employees	-	33,610	-
	-	33,610	-
7 Other Current Assets	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Advances recoverable in cash or in kind	16,190,751	3,267,144	2,218,273
Prepaid Expenses	-	154,210	110,607
	16,190,751	3,421,354	2,328,880

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

8 Equity Share Capital

I) Particulars	As at Mar 31, 2020		As at Mar 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
Authorised :						
1,500,000 Ordinary shares of Rs. 10/- each	1,500,000	15,000,000	1,500,000	15,000,000	1,500,000	15,000,000
Issued, paid up and subscribed						
1,145,422 Ordinary shares of Rs. 10/- each	1,145,422	11,454,220	1,145,422	11,454,220	1,145,422	11,454,220
	1,145,422	11,454,220	1,145,422	11,454,220	1,145,422	11,454,220

II) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	As at Mar 31, 2020		As at Mar 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
At the beginning of the year	1,145,422	11,454,220	1,145,422	11,454,220	1,145,422	11,454,220
Issued during the year as fully paid up	-	-	-	-	-	-
At the end of the year	1,145,422	11,454,220	1,145,422	11,454,220	1,145,422	11,454,220

III) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share.

IV) Shareholders holding more than 5% of equity shares as at the end of the year:

Particulars	As at Mar 31, 2020		As at Mar 31, 2019		As at April 1, 2018	
	No. of shares	% of Shares	No. of shares	% of Shares	No. of shares	% of Shares
Mr. Satyakam Mohanty	-	-	498,405	43.51%	498,405	43.51%
Mrs. Hemalatha Rajan	-	-	358,782	31.32%	358,782	31.32%
Mr. Ashish Rishi	-	-	104,373	9.11%	104,373	9.11%
Mrs. Rajeshwari Sinha	-	-	88,900	7.76%	88,900	7.76%
L & T Infotech Limited	1,145,421	100.00%	-	-	-	-
Kedar Gadgil (As nominee shareholder for L & T Infotech Limited)	1	0.00%	-	-	-	-
	1,145,422	100.00%	1,050,460	91.71%	1,050,460	91.71%

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

9	Other Equity	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Other Reserves			
	General reserve	500,000	500,000	500,000
		500,000	500,000	500,000
	Security premium reserve			
	Opening balance	4,186,771	4,186,771	4,186,771
	Retained Earnings			
	Profit and loss account			
	Opening balance	14,707,195	14,078,788	10,985,195
	Add: Profit for the year	7,063,742	628,407	4,799,825
		21,770,937	14,707,195	15,785,020
	Less: Appropriation			
	(a) General Reserve	-	-	-
	(b) Dividend	-	-	1,417,607
	(c) Tax on dividend	-	-	288,625
	Balance to be carried forward	21,770,937	14,707,195	14,078,788
10	Deferred tax liabilities / (Assets)	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Deferred Tax Liability	-	(2,483,986)	(2,308,669)
	Total	-	(2,483,986)	(2,308,669)
11	Current Borrowings	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Financial Liabilities			
	Unsecured loans			
	Unsecured Loan from Holding Company	30,463,454	-	-
	Unsecured Loans			
	Other loans from banks	-	22,064,867	13,408,483
	Total	30,463,454	22,064,867	13,408,483
12	Trade Payable	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Due to Holding	12,591,512	-	-
	Due to Others	842,277	3,038,412	17,880,898
	Total	13,433,789	3,038,412	17,880,898
13	Other Financial Liabilities	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Liabilities for Employee benefits	-	-	175,836
		-	-	175,836
14	Other Current Liabilities	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Other payables	1,317,700	858,352	1,667,895
	Total	1,317,700	858,352	1,667,895
14A	Short Term Provisions	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Provisions			
	Provisions for employee benefits			
	Gratuity	-	3,728,580	3,882,920
	Compensated absences	-	2,959,332	2,781,917
	Variable Pay	-	-	1,862,715
	Others	763,746	26,819	33,369
	Total	763,746	6,714,731	8,560,921
15	Tax Liabilities/ (Assets)	As at Mar 31, 2020 Amounts (INR)	As at Mar 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
	Current Tax liabilities/(Assets)	(6,300,733)	(1,641,360)	945,231
		(6,300,733)	(1,641,360)	945,231

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

16	Revenue from Operations	2019-20 Amounts (INR)	Aug - Mar 20 Amounts (INR)	2018-19 Amounts (INR)
	Sale of Services	95,387,922	63,319,698	70,944,112
		95,387,922	63,319,698	70,944,112
17	Other Income	2019-20 Amounts (INR)	Aug - Mar 20 Amounts (INR)	2018-19 Amounts (INR)
	Profit on sale of fixed assets	91,852	-	-
	Interest received	-	109,531	378,058
	Foreign Exchange Gain/(Loss)	36,545	178,249	(865,996)
	Miscellaneous income	18,175	-	-
		146,571	287,779	(487,938)
18	Employee Benefit Expense	2019-20 Amounts (INR)	Aug - Mar 20 Amounts (INR)	2018-19 Amounts (INR)
	Salaries including overseas staff expenses	38,571,902	19,303,218	35,556,393
	Contribution to provident and other funds	(5,109,171)	(3,326,451)	-
	Contribution to SSA & other funds	31,552	-	-
		33,494,283	15,976,767	35,556,393
19	Operating expenses	2019-20 Amounts (INR)	Aug - Mar 20 Amounts (INR)	2018-19 Amounts (INR)
	Travelling and conveyance	3,517,930	2,959,834	3,015,024
	Cost of equipment, hardware and software pack	4,080,163	-	-
	Communication expenses	3,957,614	-	-
	Consultancy charges	2,578,231	-	-
	Rent and establishment expenses	3,000,933	963,129	4,464,635
	Telephone charges and postage	-	3,015,813	3,471,844
	Advertisement	25,533	3,555,804	1,182,970
	Repairs and Maintenance	-	5,555	46,949
	Rates and taxes	28,552	1,221,708	3,240,763
	Allowance for doubtful debts and advances	124,910	124,910	-
	Bad debts	-	-	7,088,639
	Miscellaneous expenses	(203)	548,226	1,493,708
		17,313,663	12,394,979	24,004,531
19A	Finance Cost	2019-20 Amounts (INR)	Aug - Mar 20 Amounts (INR)	2018-19 Amounts (INR)
	Int Paid on EPC / Others	8229813.26		774291.41
	Int Paid to Bank	1,104,576.89	2,077,954.18	936861.7
		9,334,390	2,077,954	1,711,153
20	Other expenses	2019-20 Amounts (INR)	Aug - Mar 20 Amounts (INR)	2018-19 Amounts (INR)
	Legal and Professional Charges	17,146,018	13,358,734	7,138,663
	Other miscellaneous expenses	(49,496)	542	400,984
		17,096,522	13,359,276	7,539,647

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

21. First time adoption of Ind AS

Reconciliation of Balance sheet as at April 1, 2018

Particulars	As per iGAAP	Ind AS Adjustments	As per Ind AS
	Amount (INR)	Amount (INR)	Amount (INR)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	860,241	-	860,241
(b) Other Intangible assets	290,873	-	290,873
(c) Intangible assets under development	7,173,591	-	7,173,591
(i) Investments	7,731,487	-	7,731,487
(ii) Loans	88,411	-	88,411
(ii) Other Financial Assets	3,857,151	-	3,857,151
(d) Deferred Tax Assets(Net)	2,308,669	-	2,308,669
Total Non-Current Assets	22,310,423	-	22,310,423
Current assets			
(a) Financial Assets			
(i) Trade receivable	25,177,005	-	25,177,005
(ii) Cash and Cash Equivalents	22,973,935	-	22,973,935
(iii) Loans	68,800	-	68,800
(b) Other current assets	2,328,880	-	2,328,880
Total Current Assets	50,548,620	-	50,548,620
TOTAL ASSETS	72,859,043	-	72,859,043
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11,454,220	-	11,454,220
(b) Other Equity			
(i) Other Reserves	4,686,771	-	4,686,771
(i) Retained Earnings	14,078,788	-	14,078,788
Total Equity	30,219,779	-	30,219,779
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13,408,483	-	13,408,483
(ii) Trade Payables			
Due to others	17,880,898	-	17,880,898
(iii) Other Financial Liabilities	175,836	-	175,836
(b) Other Current Liabilities	1,667,895	-	1,667,895
(c) Provisions	8,560,921	-	8,560,921
(d) Current income tax Liabilities (Net)	945,231	-	945,231
Total Current Liabilities	42,639,264	-	42,639,264
TOTAL EQUITY AND LIABILITIES	⁵³⁰ 72,859,043	-	72,859,043

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

21. First time adoption of Ind AS

Reconciliation of Balance sheet as at March 31, 2019

Particulars	As per iGAAP	Ind AS Adjustments	As per Ind AS
	Amount (INR)	Amount (INR)	Amount (INR)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	712,630	-	712,630
(b) Other Intangible assets	117,105	-	117,105
(c) Intangible assets under development	28,267,554		28,267,554
(c) Financial Assets			
(i) Investments	5,617,458		5,617,458
(ii) Loans	88,411	-	88,411
(iii) Other Financial Assets	4,122,163	-	4,122,163
(g) Deferred Tax Assets(Net)	2,483,986		2,483,986
(h) Income tax Assets (net)	1,641,360	-	1,641,360
Total Non-Current Assets	43,050,668	-	43,050,668
Current assets			
(a) Financial Assets			
(i) Trade receivable	16,741,971	-	16,741,971
(ii) Cash and Cash Equivalents	276,947	-	276,947
(iii) Other Financial Assets	33,610		33,610
(b) Other current assets	3,421,354	-	3,421,354
Total Current Assets	20,473,881	-	20,473,881
TOTAL ASSETS	63,524,549	-	63,524,549
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11,454,220	-	11,454,220
(b) Other Equity			
(i) Other Reserves	4,686,771	-	4,686,771
(i) Retained Earnings	14,707,195	-	14,707,195
Total Equity	30,848,186	-	30,848,186
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22,064,867	-	22,064,867
(ii) Trade Payables	-		-
Due to others	3,038,412	-	3,038,412
(iii) Other Financial Liabilities	-	-	-
(b) Other Current Liabilities	858,352	-	858,352
(c) Provisions	6,714,732		6,714,732
Total Current Liabilities	32,676,362	-	32,676,362
TOTAL EQUITY AND LIABILITIES	⁵³¹ 63,524,549	-	63,524,549

Lymbyc Solutions Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

21. First time adoption of Ind AS

Reconciliation of Profit and Loss as at March 31, 2019

Particulars	Note	As per iGAAP	Ind AS Adjustments	As per Ind AS
		Amount (INR)	Amount (INR)	Amount (INR)
Total Income:				
Revenue from Operations	16	70,944,112	-	70,944,112
Other Income	17	(487,938)	-	(487,938)
		70,456,174	-	70,456,174
Expenses:				
Employee Benefit Expense	18	35,556,393	-	35,556,393
Operating expenses	19	24,004,531	-	24,004,531
Finance costs		1,711,153	-	1,711,153
Depreciation and Amortisation		889,299	-	889,299
Other expenses	20	7,539,647	-	7,539,647
Total Expenses		69,701,024	-	69,701,024
Profit before tax		755,151	-	755,151
Tax expense				
Current tax (net)		302,060	-	302,060
Deferred tax		(175,317)	-	(175,317)
		126,743	-	126,743
NET PROFIT FOR THE YEAR		628,407	-	628,407
OTHER COMPREHENSIVE INCOME		-	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		628,407	-	628,407

Lymbyc Solutions Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****A1(a) Corporate Information**

Lymbyc Solutions Private Limited ("the Company") is a wholly owned subsidiary by Larsen & Toubro Infotech Limited from July 31, 2019. The Company is a specialist AI, machine learning, and advanced analytics company with their proprietary product 'Leni'. The platform has a combination of natural language processing, data visualization and predictive analytics capabilities.

(b) Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. 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.

A2 Significant Accounting Policies**a. Basis of accounting**

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. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards Amendment) Rules, 2016 and Companies (Indian Accounting Standards Amendment) Rules 2017. This is the first IndAS compliant financial statements. Refer note 21 "First - time adoption of Ind AS" for an explanation of impact of transition from Generally Accepted Accounting Principles in India (iGAAP) to Ind AS on the company's financial statements.

Amount in financial statements are presented in Indian INR as permitted by schedule III to the companies Act, 2013.

b. Presentation of financial statements

The statement of financial position and the statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

c. Property, plant and equipment

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed.

d. Intangible assets

Computer softwares are stated at cost less accumulated depreciation, amortisation and impairment.

e. Depreciation**i) Tangible assets**

Depreciation on assets have been provided as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortisation on addition and disposal are calculated on pro-rata basis from and to the month of additions and disposal.

Sl No.	Particulars	Useful Life
1	Computer and IT Peripherals	Upto 3 years
2	Plant and Machinery	Upto 10 years
3	Office Equipment	Upto 10 years
4	Furniture and Fixtures	Upto 10 years

Lymbyc Solutions Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020**

ii) Intangible assets

the estimated useful life of an identifiable intangible asset is based on the number of factors including the effects of obsolescence, demand, competition and other economic factor and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

Sl No.	Particulars	Useful Life
1	Computer Software	Upto 3 years

f. Functional and presentation currency

The functional and presentation currency of the company is the Indian Rupee as it is the currency of primary economic environment in which the company operates.

g. Foreign currency transactions and balances

Foreign currency transactions are initially recorded at the rates prevailing on the date of transaction. At the balance sheet date, foreign currency monetary item are reported using the closing rate.

h. Impairment of Assets

As at each balance sheet date, assets are tested for impairment so as to determine, the provision for impairment loss, if any, and the reversal of impairment loss recognised in previous periods, if any.

An impairment loss, if any, is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

i. Current and Non-current classification

An asset or a liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realized/settled, or is intended for sale or consumption, in the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realized/due to be settled within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
- v. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

j. Income TaxCurrent tax

The current income tax charge is calculated on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act 1961, any amendments / rules that have been enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k. LeasesOperating Lease:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Lease rentals are charged to the profit and loss account on accrual basis.

The company after assessing the impacts of "INDAS 116 - Leases" have concluded that all the lease agreement fall under short term lease agreements & hence it does not have any impact on financials.

Lymbyc Solutions Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****l. Financial Instruments**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assetsInitial recognition and measurement

The Company classifies its investments and financial assets in the following measurement categories:

- those to be measured at cost (investment in subsidiaries)
- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured subsequently at fair value through profit and loss

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value of those financial assets.

Subsequent measurement

• Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

ii) Financial liabilitiesInitial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities on the basis of the operating cycle of the Company.

Subsequent measurement

Fair value through profit or loss (FVTPL): Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. All changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

m. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks.

Lymbyc Solutions Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****n. Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:
Revenue from contracts priced on time and material basis is recognised when services are rendered and related costs are incurred.

Effective April 1, 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard does not have any material impact on the financial results of the Company for the year ended March 31, 2020.

o. Other Income

- I) Interest income is accrued at applicable interest rate.
- II) Other items of income are accounted as and when the right to receive arises.

p. Employee benefits**i) Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

ii) Post Employment Benefits**Defined contribution plan**

The company's state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

q. Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- I) the Company has a present obligation as a result of a past event;
- II) a probable outflow of resources is expected to settle the obligation; and
- III) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

r. Segment accounting

The Company have only one segment and segment reporting is not applicable.

s. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements").

Lymbyc Solutions Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****A3 Dues to micro enterprises and small enterprises**

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier and vendors of the company. Based on the information available with the Company, as at the year end, no vendors are classified as MSMED.

A4 Disclosure of Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"**a) List of related parties**

Holding Company :	Larsen & Toubro Infotech Limited (Since July 31, 2019)
LTI Subsidiaries:	Larsen & Toubro Infotech GmbH (LTI GmbH) Larsen & Toubro Infotech Canada Limited Larsen & Toubro Infotech LLC L&T Infotech Financial Services Technologies Inc. Larsen & Toubro Infotech South Africa (Pty) Limited L&T Information Technology Services (Shanghai) Co. Ltd Larsen & Toubro Infotech Austria GmbH L&T Information Technology Spain, SL L&T Infotech S.de. RL. C.V Larsen & Toubro Infotech Norge AS Syncordis Software Services India Private Limited Syncordis S.A. Luxembourg Syncordis SARL, France Syncordis Limited, UK Syncordis PSF S.A. Ruletronics Limited , UK Ruletronics Systems Inc, US Ruletronics India Nielsen + Partner Unternehmensberater GmbH, Germany Nielsen + Partner SA, Luxembourg Nielsen + Partner Unternehmensberater AG, Switzerland Nielsen + Partner Pte Ltd, Singapore Nielsen & Partner Pty Ltd, Australia Nielsen + Partner Co Ltd, Thailand M/s. Lymbyc Solutions Inc., State of Texas, USA Powerup Cloud Technologies Private Limited
Key Managerial Persons:	Mr. Satyakam Mohanty Mrs. Hemalatha Rajan*
	*Hemalatha Rajan ceases to be director with effect from Aug 29, 2019
Entities in which the KMP having control or can exercise significant influence :	M/s. Ma Foi Strategic Consultants Pvt Ltd* * Satyakam Mohanty ceases to be director with effect from July 25, 2019.

Lymbyc Solutions Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****b) Details of Related Party Transactions**

Particulars	2019-20 Amounts (INR)	2018-19 Amounts (INR)
Transactions During the Year		
M/s. Larsen and Toubro Infotech Limited:		
Sale of Services - Consultancy Income	18,659,980	-
Purchases of Services - Professional Charges	11,208,261	-
Placement Fee Expenses - Overheads Incurred	1,371,204	-
Sale of Assets	423,117	-
Loan Received from Holding company - Outstanding balance	30,000,000	-
Interest on Loan from Holding Company	1,108,508	-
M/s. Ma Foi Strategic Consultants Pvt Ltd		
Corporate Charges - Overheads	400,000	1,200,000
Sale of Services - Service Cost	176,800	530,400
Other Income	17,680	-
Mrs. Hemalatha Rajan (Till 31st July, 2019)		
Loan Received from Director	2,000,000	-
Loan Repaid to Director	2,000,000	-
Interest on Loan	40,000	-

c) Key management personnel compensation

Particulars	2019-20 Amounts (INR)	2018-19 Amounts (INR)
Director Remuneration - Satyakam Mohanty	6,761,108	5,268,000

d) Amount due to and due from related parties(net):

Particulars	Amounts due (to)/from	
	March 31, 2020	March 31, 2019
	Amounts (INR)	Amounts (INR)
Larsen & Toubro Infotech Limited - Loan	30,000,000	-
Interest on above Loan	463,454	-
Larsen & Toubro Infotech Limited -Trade Payables	12,591,512	-
Lymbyc Solutions Inc, USA - Other Receivables	3,681,986	3,351,163
M/s. Ma Foi Strategic Consultants Pvt Ltd - Trade Receivables	-	408,611

e) Terms and conditions of transactions with related parties:

- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Loan from parent is taken at 7% rate of interest while other trade outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash
- There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Amounts (INR) Nil.). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- f)** No amount of due from related parties has been written off during the year (Previous year ` Nil). No amount due to related parties has been written back during the year (Previous year ` nil). For the year ended March 31, 2020, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2019 : ` Nil.). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

A5 Disclosure of the foreign exchange earned and spent by the Company during the year is as follows

Particulars	Currency	March 31, 2020	March 31, 2019
Foreign exchange earnings- Export of Services	USD	430,164	586,955
	GBP	48,875	32,174
	INR Equivalent	34,526,454	44,032,372
Foreign exchange spent			
-Marketing Expenses	USD	49,900	-
-Travel Expenses	USD	14,025	5,000
-Travel Expenses	SGD	-	750
	INR Equivalent	4,536,282	405,675

A6 Deferred Tax Asset/Liability

Income Taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability after considering tax allowances and exemptions. The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax asset or deferred tax liability is recorded for the timing differences.

Lymbyc Solutions Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****A7 Disclosure pursuant to Ind AS 33 "Earnings per share"**

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars		2019-20	2018-19
		INR	INR
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (°)	A	7,063,742	628,407
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	1,145,422	1,145,422
Basic and diluted earnings per equity share (°)	A / B	6.17	0.55
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic	A	7,063,742	628,407
Add : Interest on convertibles (net of tax)	B	-	-
Profit for the year attributable to owners of the Company for the calculating of	C = A+B	7,063,742	628,407
Weighted average number of equity shares outstanding for calculating basic	D	1,145,422	1,145,422
Add : Shares deemed to be issued for no consideration in respect of :	E	-	-
Compulsorily convertible preference share capital	F	-	-
Compulsorily convertible debentures	G	-	-
Weighted average number of equity shares outstanding for calculating diluted	H = D + E	1,145,422	1,145,422
Diluted earnings per equity share (°)		6.17	0.55
Face value per equity share (°)		10.00	10.00

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

A8 Financial Instruments**Disclosure of Financial Instruments by Category**

Financial instruments by categories	Note no.	31.03.2020			31.03.2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Security Deposits	2	-	-	88,411	-	-	88,411
Trade receivables	3	-	-	5,322,234	-	-	16,741,971
Unbilled Revenue	0	-	-	-	-	-	-
Cash and cash equivalents	4	-	-	5,857,957	-	-	276,947
Other Bank Balances	0	-	-	-	-	-	-
Total Financial Asset		-	-	11,268,602	-	-	17,107,328
Financial liability							
Loans from related parties	11	-	-	30,463,454	-	-	22,064,867
Trade Payables	12	-	-	13,433,789	-	-	3,038,412
Other Financial Liabilities	13	-	-	-	-	-	-
Total Financial Liabilities		-	-	43,897,243	-	-	25,103,279

Lymbyc Solutions Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

A9 Disclosure pursuant to Ind AS 12 - "Income taxes"

The major components of income tax expense for years ended 31 March 2020 and 31 March 2019 are :

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Current income Tax :		
Current income tax charge	1,875,000	302,060
Adjustments of current tax of previous year	406,481	-
Deferred Tax		
Relating to origination and reversal of temporary differences	2,483,986	(175,317)
Relating to rate change or imposition of new taxes		
Arising due to a write down of a deferred tax asset		
Income tax reported in the statement of profit and loss	4,765,467	126,743
Current Tax and Deferred Tax - Equity (Mention details of items directly charged to equity)	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	Amounts (INR)	Amounts (INR)
Accounting profit before tax	11,829,209	755,151
Applicable tax rate	25.17%	25.17%
Profit before tax * Applicable tax rate	2,977,412	190,071
(Short) / Excess Provision	2,281,481	302,060
Effect of Deferred Taxes	2,483,986	(175,317)
Short & (Excess) Provision adjusted		
Difference in tax for items which are not allowed as a deduction		
Income tax expense reported in the statement of profit and loss	4,765,467	126,743

A10 Events occurring after the reporting period

The financial statements were approved by the Board of Directors on May 08, 2020 and there are no significant events occurring after Balance sheet date.

A11 Investor Education and Protection Fund

The Company is not required to transfer any amount to Investor Education and Protection Fund.

As per our report attached
A. John Moris & Co.,
 Chartered Accountants
 ICAI Firm Reg.No. 007220 S

G. Kumar
 Partner
 M.No.: 023082

Place: Mumbai
 Date: 08th May 2020

For and on Behalf of the Board

Mr. SATYAKAM MOHANTY
 Director
 (DIN : 06366166)

Mr. ASHOK SONTHALIA
 Director
 (DIN : 03259683)

LYMBYC SOLUTIONS INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020



UDIN: 20023082AAAAEF7509

INDEPENDENT AUDITOR'S REPORT

To the Members of Lymbyc Solutions Inc., USA

Opinion

We have audited the financial statements of Lymbyc Solutions Inc., USA, which comprise the balance sheet as at March 31st 2020, and the profit and loss account, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at March 31, 2020, and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



A. JOHN MORIS & CO.,

CHARTERED ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

For **A. John Moris & Co.,**
Chartered Accountants
Frn.: 007220 S

Place: Chennai
Date: 13/05/2020

CA G Kumar
Senior Partner
M.No.: 023082

LYMBYC SOLUTIONS INC., USA
BALANCE SHEET AS AT 31st March, 2020

Particulars	Note No	As at 31st March, 2020 (In USD)	As at 31st March, 2020 (In INR)	As at 31st March, 2019 (In USD)	As at 31st March, 2019 (In INR)
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	1	92,893	5,617,458	92,893	5,617,458
(b) Reserves and Surplus	2	-148,787	-9,831,098	-143,594	-9,143,742
(2) Current Liabilities					
(a) Other current liabilities	3	55,894	4,213,640	51,750	3,599,243
Total		-	-	1,049	72,959
II. ASSETS					
(1) Current assets					
(a) Cash and Bank Balances	4	-	-	1,049	72,959
Total		-	-	1,049	72,959

Summary of Significant Accounting Policies and Notes to Accounts-1 to 7

The notes referred to above form an integral part of the financial statements

In terms of our report attached.

For A. John Moris & Co.,

Chartered Accountants

FRN : 007220 S

G. Kumar

Partner

M. No: 023082

Place : Chennai

Date : 13th May 2020

For and on behalf of the Board,

Mr. SATYAKAM MOHANTY

Director

(DIN : 06366166)

Mr. ASHOK SONTHALIA

Director

(DIN : 03259683)

LYMBYC SOLUTIONS INC., USA
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31st March, 2020

Particulars	Note No	For the year ended 31st March, 2020 (In USD)	For the year ended 31st March, 2020 (In INR)	For the year ended 31st March, 2019 (In USD)	For the year ended 31st March, 2019 (In INR)
Income:					
Revenue from operations		-	-	-	-
Other Income		-	-	-	-
Total Revenue		-	-	-	-
Expenses:					
Employee benefit expense		-	-	-	-
Loss on forex (Reinstatement loss)		-	295,862	-	(214,928)
Other expenses	5	5,193	391,494	4,159	289,246
Total Expenses		5,193	687,356	4,159	74,318
Loss before tax		(5,193)	(687,356)	(4,159)	(74,318)
Tax expense:					
(a) Current tax		-	-	-	-
(b) Deferred tax		-	-	-	-
Loss after tax		(5,193)	(687,356)	(4,159)	(74,318)
Earning per share:	7				
(a) Basic		(0.06)	(7.40)	(0.04)	(0.80)
(b) Diluted		(0.06)	(7.40)	(0.04)	(0.80)

Summary of Significant Accounting Policies and Notes to Accounts-1 to 7

The notes referred to above form an integral part of the financial statements

In terms of our report attached.

For and on behalf of the Board,

For A. John Moris & Co.,

Chartered Accountants

FRN : 007220 S

Mr. SATYAKAM MOHANTY

Director

(DIN : 06366166)

G. Kumar

Mr. ASHOK SONTHALIA

Partner

Director

M. No: 023082

(DIN : 03259683)

Place : Chennai

LYMBYC SOLUTIONS INC., USA
Accompanying notes to the financial statements
For the year ended March 31, 2020

Note : 1**Share Capital**

Particulars	As at 31st March, 2020 (In USD)	As at 31st March, 2020 (In INR)	As at 31st March, 2019 (In USD)	As at 31st March, 2019 (In INR)
Authorised Share Capital (1,00,000 common shares of USD 1 each)	100,000	-	100,000	-
Paidup Share capital (92,893 common Shares of USD 1 each)	92,893	5,617,458	92,893	5,617,458
	92,893	5,617,458	92,893	5,617,458

i) Share Holders holding more than 5% of Share capital

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares Held	% of Shares	No. of Shares Held	% of shares
Lymbyc Solutions Pvt Ltd	92,893	100%	92,893	100%

ii) Reconciliation of number of shares

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	(In INR)	Number	(In INR)
Shares outstanding at the beginning of the year	92,893	5,617,458	92,893	5,617,458
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	92,893	5,617,458	92,893	5,617,458

Note :2**Reserves and Surplus**

Particulars	As at 31st March, 2020 (In USD)	As at 31st March, 2020 (In INR)	As at 31st March, 2019 (In USD)	As at 31st March, 2019 (In INR)
Profit and Loss Account (Dr)				
Opening Balance of Profit and Loss	(143,594)	(9,143,742)	(139,435)	(9,069,425)
Loss during the Current Year	(5,193)	(687,356)	(4,159)	(74,317)
Add: Reinstatement Loss			-	-
Total	(148,787)	(9,831,098)	(143,594)	(9,143,742)

Note : 3**Other Current Liabilities**

Particulars	As at 31st March, 2020 (In USD)	As at 31st March, 2020 (In INR)	As at 31st March, 2019 (In USD)	As at 31st March, 2019 (In INR)
Other Payables				
Reimbursement of expenses - Holding company	55,894	4,213,640	51,750	3,599,243
Salary & other reimbursements	-		-	-
Total	55,894	4,213,640	51,750	3,599,243

LYMBYC SOLUTIONS INC., USA
 Accompanying notes to the financial statements
 For the year ended 31st March, 2020

Note : 4**Cash and Bank balance**

Particulars	As at 31st March, 2020 (In USD)	As at 31st March, 2020 (In INR)	As at 31st March, 2019 (In USD)	As at 31st March, 2019 (In INR)
Balances with Bank	-	-	1,049	72,959
Cash on Hand	-	-	-	-
Total	-	-	1,049	72,959

Note : 5**Other Expenses**

Particulars	For the year ended 31st March, 2020 (In USD)	For the year ended 31st March, 2020 (In INR)	For the year ended 31st March, 2019 (In USD)	For the year ended 31st March, 2019 (In INR)
Rent	3,288	247,869	3,014	209,626
Bank Charges	1,049	79,080		
Tax filing fees	856	64,545	1,145	79,620
Total	5,193	391,494	4,159	289,246

LYMBYC SOLUTIONS INC., USA
Accompanying notes to the financial statements
For the year ended 31st March, 2020

Note 6 Related Party Disclosure and Transactions**A. Details of Related parties:**

Description of Relationship	Names of related parties
Director Key Managerial Personnel	Mr. Satyakam Mohanty
Holding Company	M/s. Lymbyc Solutions Private Limited
Note: Related parties have been identified by the management.	

B. Details of related party transactions during the year and balance outstanding as on 31st March, 2020

Particulars	As at 31st March, 2020 (In INR)	As on 31st March 2019 (INR)
Transactions during the year:		
Reimbursement of Expenses		
Lymbyc Solutions Pvt Ltd	312,414	289,246
Outstanding balances:		
Share Capital		
Lymbyc Solutions Pvt Ltd	5,617,458	5,617,458
Reimbursement of Expenses to Holding Company		
Lymbyc Solutions Pvt Ltd	4,213,640	3,599,243

Note 7 Earnings Per Share

Particulars	As at 31st March, 2020 (In INR)	As on 31st March 2019 (INR)
Net Profit After Tax	(687,356)	(74,318)
Weighted average No. of equity shares for basic/ diluted EPS (Nos.)	92,893	92,893
Nominal Value of equity per share (in Rs.)	10	10
Basic/ diluted Earnings Per Share (in Rs.)	(7.40)	(0.80)

POWERUPCLOUD TECHNOLOGIES PRIVATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

POWERUPCLOUD TECHNOLOGIES PRIVATE LIMITED**Directors' Report**

Dear Members,

The Directors have pleasure in presenting their 5th Annual report of the Company and audited accounts for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS

(in Lakhs)

Particulars	2019-20	2018-19
Total Income	3486.44	2189.65
Profit / (Loss) before Tax	(1560.00)	(179.44)
Less : Provision for Tax	(174.34)	21.04
Net Profit / (Loss) after Tax	(1385.65)	(200.48)
Other Comprehensive Income	(4.48)	(4.28)
Add: Balance brought forward from previous year	(110.43)	94.33
Balance carried forward	(1500.57)	(110.43)

2. STATE OF COMPANY AFFAIRS

The gross sales and other income for the financial year under review were Rs. 3486.44 Lakhs as against Rs. 2189.65 Lakhs for the previous financial year registering an increase of 59.22%. The profit after tax including extraordinary and exceptional items was Rs. (1385.65) Lakhs for the financial year under review as against profit after tax Rs. (200.48) Lakhs for the previous financial year.

3. CHANGE IN MANAGEMENT & CONTROL

During the year under review, Larsen & Toubro Infotech Limited acquired 10,000 equity shares of Rs. 10 each representing 100% shareholding of the Company as on October 25, 2019, from the existing shareholders of the Company. Accordingly, the Company became a wholly owned subsidiary of Larsen & Toubro Infotech Limited.

4. CHANGE IN SHARE CAPITAL

During the year under review, the Company increased the authorised share capital from Rs. 1,00,000 (Rupees One Lakh) divided into 10,000 equity shares of Rs. 10/- each to Rs. 4,00,000 (Rupees Four Lakhs) divided into 40,000 equity shares of Rs. 10/- each and consequently altered the Memorandum of Association of the Company.

Further, the Company allotted 7,329 equity shares of INR 10/- each at a premium to Larsen & Toubro Infotech Limited, on a private placement basis on October 25, 2019.

5. CAPITAL EXPENDITURE

As at March 31, 2020, the gross fixed and intangible assets, stood at Rs. 96.43 Lakhs (previous year Rs. 17.59 Lakhs) and the net fixed and intangible assets, at Rs. 79.53 Lakhs (previous year Rs. 1.69 Lakhs). Capital Expenditure during the year amounted to Rs. 78.84 Lakhs.

6. DEPOSITS

During the year ended March 31, 2020, the Company has not accepted any deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

7. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

The Company does not have any Subsidiary/ Associate/ Joint Venture Companies.

8. TRANSFER TO RESERVES

The Directors do not propose to transfer any amount to reserves during the period under review.

9. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

The Company has not given any loan, guarantees, security or made any investment during the financial year 2019-20 as specified under section 186 of Companies Act, 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions entered with related parties during the financial year 2019-20 were in the ordinary course of business and at arm's length. Particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013, in FORM AOC-2 is attached as Annexure A.

11. DIVIDEND

In view of continuing losses and with a view to improve the business performance and conserve financial resources, the Directors have not recommended dividend on equity shares for the financial year 2019-20.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

After March 31, 2020 and upto the date of this report, there has been no material changes and commitments affecting the financial positions of the Company except the following:

(a) Shifting of Registered Office from State of Tamil Nadu to State of Maharashtra

The Company made an application with Regional Director, Chennai on March 21, 2020 for shifting the registered office of the Company from State of Tamil Nadu to State of Maharashtra under the Registrar of Companies, Mumbai, for administrative convenience, effective management of compliances and ease of liaising with common regulatory authorities. As on the date of this report, approval of Registrar of Companies and Regional Director is awaited on the said application.

(b) Impact of COVID-19

Due to outbreak of coronavirus disease 2019 (COVID-19) pandemic globally and consequent lockdown imposed by the Government of India from March 25, 2020 to curb its wide spread, there has been a massive economic disruption and social distress all across the globe including India. As part of Larsen & Toubro Infotech Limited, Holding Company's proactive implementation of Business

Continuity Plan and Emergency Preparedness Plan at group level, has ensured safety of Company's employees and smooth, uninterrupted and secure business and service continuity. Though there was no significant impact on the business of the Company for FY20 however considering its wide spread nature, future impact on company's operations cannot be ascertained.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information as per Rule 8 Companies (Accounts) Rules, 2014.

B. No technology has been developed and / or imported by way of foreign collaboration.

C. Foreign exchange earnings and outgo:

S.N	PARTICULARS	AMOUNT (Rs in Lakhs)	
		31 ST MARCH 2020	31 ST MARCH 2019
1	Earnings in Foreign Exchange during the year	583.32	472.12
2	Expenditure in Foreign Exchange during the year	661.86	3.00

14. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the year under review, following were the changes in the Board Members:

- a) The Board of Directors of the Company at its meeting held on October 25, 2019 appointed Mr. Nachiket Deshpande and Mr. Ashok Kumar Sonthalia as Additional Non-Executive Directors of the Company with effect from October 25, 2019 to hold office upto the ensuing Annual General meeting ('AGM') of the Company.
- b) Mr. Ankit Garg, Whole-time Director of the Company stepped down from the Board of Directors with effect from close of business hours of October 25, 2019. The Board places on record the valuable contribution made by Mr. Ankit Garg during his tenure as Director of the Company.

Besides (b) above, there has been no change in the Key Managerial Personnel of the Company.

The Notice convening the 5th AGM in 2020 includes appointment of Mr. Nachiket Deshpande and Mr. Ashok Kumar Sonthalia as Non-Executive Directors of the Company. In terms of the Articles of Association of the Company, Mr. Surendira Siva is not liable to retire by rotation. Hence, at the ensuing 5th AGM to be held in 2020, none of the Directors will retire by rotation.

Details of Directors proposed to be appointed as required under Secretarial Standard 2 on General Meetings ('SS-2') is given in the Notice convening the AGM in 2020.

15. MEETINGS OF THE BOARD OF DIRECTORS

The Board Meetings were convened at appropriate intervals with a maximum time gap not exceeding more than 120 days between two consecutive meetings. During the year under review, 16 meetings of the Board of Directors of the Company were held on April 3, 2019, April 22, 2019, May 1, 2019, June 21, 2019, June 25, 2019, August 14, 2019, September 4, 2019, September 18, 2019, October 10, 2019, October 17, 2019, October 19, 2019, October 21, 2019, October 24, 2019, October 25, 2019 (two) and January 29, 2020. Attendance of the Board members at these meeting were as under:

Name of Director	Category	No. of Meetings held during the year vis-à-vis Members Tenure	No. of Meetings Attended
Mr. Surendira Siva Selvaraj	Director	16	16
Mr. Ankit Garg*	Director	15	15
Mr. Nachiket Deshpande#	Additional Non-Executive Director	2	1
Mr. Ashok Kumar Sonthalia#	Additional Non-Executive Director	2	2

*Ceased to be Whole-time Director with effect from close of business hours on October 25, 2019

#Appointed as Additional Non-Executive Directors with effect from October 25, 2019

16. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

17. RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal. However, Larsen & Toubro Infotech Limited ('LTI'), holding company, has formulated a Risk Management Policy and the Company being wholly-owned subsidiary, is being covered by the Risk Management Policy of LTI.

18. STATUTORY AUDITOR

M/s Adithya And Vishwas, Chartered Accounts (FRN. 0008943S), were appointed as Statutory Auditor of the Company at the 4th AGM of the Company held on September 30, 2019, for a period of five years from the conclusion of 4th AGM till the conclusion of 9th AGM of the Company.

The Auditor's Report on the audited Financial Statements of the Company for the year ended March 31, 2020 does not contain any qualification and therefore do not call for any comments from Directors. Further the Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

19. EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013 an extract of the Annual Return is attached as Annexure B.

20. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

21. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Directors wish to state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

23. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

24. ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, vendors, management of the Holding Company, Financial Institutions, Banks, Central and State Government authorities, and all the various other stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board of Directors

	Ashok Kumar Sonthalia Director (DIN: 03259683) Place: Mumbai	Surendira Siva Selvaraj Director (DIN: 03306089) Place: Bangalore
Date: May 14, 2020		

ANNEXURE – A**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Rs.)	Date(s) of approval by the Board	Amount paid as advances, if any: (Amount in Rs.)
Powerupcloud Technologies Pte Ltd (Mr Surendira Siva being common Director upto December 31, 2019)	Consulting Services	FY19-20	3,72,66,892	NA	NIL

For and on behalf of the Board of Directors

Ashok Kumar Sonthalia
Director
(DIN: 03259683)
Place: Mumbai

Surendira Siva Selvaraj
Director
(DIN: 03306089)
Place: Bangalore

Date: May 14, 2020

ANNEXURE -B**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]**i) REGISTRATION AND OTHER DETAILS:**

S.N.	Particulars	
1	CIN	U72200TZ2015PTC021473
2	Registration Date	11 th June 2015
3	Name of the Company	POWERUPCLOUD TECHNOLOGIES PRIVATE LIMITED
4	Category/ Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office and contact details	16, Rajiv Nagar, 3rd Street, Samundipuram, Tirupur TN 641603 IN Tel: 044 4813 4736 Email: siva@powerupcloud.com
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

ii) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

S. N.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Information Technology Services	9983132	100

iii) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Larsen & Toubro Infotech Limited Add: L&T House, N. M. Marg, Ballard Estate, Mumbai-400001	L72900MH1996PLC104693	Holding Company	100.00	2(46)

iv) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	0	10,000	10,000	100.00	0	1	1	0.00	(100.00)
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	0	0	0.00	0	17,328	17,328	100.00	100.00
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A1)	0	10,000	10,000	100.00	0	17,329	17,329	100.00	0.00
(2)	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	0	0	0	0.00					
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A1 + A2)	0	10,000	10,000	100.00	0	17,329	17,329	100.00	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0
(b)	Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
(c)	Central Government	0	0	0	0	0	0	0	0	0
(d)	State Government(s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B1)	0	0	0	0	0	0	0	0	0
(2)	Non – Institutions	0	0	0	0	0	0	0	0	0
(a)	Individuals	0	0	0	0	0	0	0	0	0
	i) Individual Shareholders holding nominal Equity Share Capital up to Rs.1 Lakh	0	0	0	0	0	0	0	0	0

	ii) Individual Shareholders holding nominal Equity Share Capital in excess of Rs.1 Lakh	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
(i)	Foreign Nationals	0	0	0	0	0	0	0	0	0
(ii)	Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(ii)	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
(iv)	Non Resident Indians (Non-Repat)	0	0	0	0	0	0	0	0	0
(v)	Clearing Member	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0
	Sub-total (B2)	0	0	0	0	0	0	0	0	0
	Total Public Shareholding (B) = (B1 + B2)	0	0	0	0	0	0	0	0	0
	TOTAL (A+B)	0	10,000	10,000	100.00	0	17,329	17,329	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	0	10,000	10,000	100.00	0	17,329	17,329	100.00	0.00

Note: On October 25, 2019, Larsen & Toubro Infotech Limited ('LTI') acquired from the existing shareholders 100% shareholding of the Company comprising of 10,000 equity shares of Rs. 10/- each. Mr. Kedar Krishna Gadgil holds one equity share as a nominee of LTI. Further, LTI also subscribed to 7,329 equity shares of Rs. 10 each at a premium of Rs. 30, 712.78, issued on private placement basis by the Company.

b) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Surendira Siva Selvaraj	8000	80.00	0.00	0	0.00	0.00	(80.00)
2	Ankit Garg	2000	20.00	0.00	0	0.00	0.00	(20.00)
3	Larsen & Toubro Infotech Limited#	0	0.00	0.00	17,328	100.00	0.00	100.00
4	Kedar Gadgil*	0	0.00	0.00	1	0.00	0.00	0.00
	Total	10,000	100.00	0.00	17,329	100.00	0.00	0.00

#On October 25, 2019, Larsen & Toubro Infotech Limited ('LTI') acquired from the existing shareholders 100% shareholding of the Company comprising of 10,000 equity shares of Rs. 10/- each. Further, LTI also subscribed to 7,329 equity shares of Rs. 10 each at a premium, issued on private placement basis by the Company.

*Mr. Kedar Krishna Gadgil holds one equity share as a nominee of LTI.

c) Change in Promoters' Shareholding:

S.N.	Particulars	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Surendira Siva Selvaraj		8,000	80.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	October 25, 2019 (Transfer)	-	-	(8,000)	0	0.00
	At the end of the year		-	-	-	0	0.00
2	Ankit Garg		2,000	20.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	October 25, 2019 (Transfer)	-	-	(2,000)	0	0.00
	At the end of the year		-	-	-	0	0.00
3	LARSEN & TOUBRO INFOTECH LIMITED		0	0.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	October 25, 2019 (Acquisition)	-	-	10,000*	10,000*	100.00
		October 25, 2019 (Allotment)	10,000	100.00	7,329	17,329*	100.00
	At the end of the year		-	-	-	17,329	100.00

* Includes one equity share held by Mr. Kedar Gadgil as a nominee of Larsen & Toubro Infotech Limited

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	Surendira Siva Selvaraj		8,000	80.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	October 25, 2019 (Transfer)	-	-	(8,000)	0	0.00
	At the end of the year		-	-	-	0	0.00
2	Ankit Garg		2,000	20.00	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	October 25, 2019 (Transfer)	-	-	(2,000)	0	0.00
	At the end of the year		-	-	-	0	0.00

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	-	21,50,916	-	21,50,916
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	22,535	-	22,535
Total (i+ii+iii)		21,73,451		21,73,451
Change in Indebtedness during the financial year:				
• Addition	-	3,92,55,473	-	3,92,55,473
• Reduction	-	1,43,16,538	-	1,43,16,538
Net Change		2,49,38,935		2,49,38,935

Indebtedness at the end of the financial year:				
i) Principal Amount	-	2,68,49,958	-	2,68,49,958
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,62,428	-	2,62,428
Total (i+ii+iii)	-	2,71,12,386	-	2,71,12,386

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (DURING THE FINANCIAL YEAR 2018-19)

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

S. N.	Particulars of Remuneration	Surendira Siva Selvaraj ⁵ (Whole-time Director)	Ankit Garg* (Whole-time Director)
1	Gross salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,24,136	1,094,144
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL	NIL
2	No. of Stock Options granted	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission: - as % of profit -others,	NIL	NIL
5	Others (please specify):	NIL	NIL
	1. Variable Compensation	6,76,420	4,91,280
	2. Contribution to Provident Fund & Superannuation Fund	21,600	21,600
	Total (A)	4,522,156	1,598,024

⁵Mr. Surendira Siva Selvaraj received remuneration in his professional capacity as a Director of the Company, post-acquisition by Larsen & Toubro Infotech Limited on October 25, 2019.

*Ceased to be a Director of the Company with effect from close of business hours of October 25, 2019

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Fee for attending Board Meetings	Commission	Total Amount
	Non-Executive Directors			
1	Mr. Nachiket Deshpande*	0	0	0
2	Mr. Ashok Kumar Sonthalia*	0	0	0
	Total Remuneration	0	0	0

*Appointed as Additional Directors with effect from October 25, 2019

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: NOT APPLICABLE

viii) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board of Directors

Date: May 14, 2020

Ashok Kumar Sonthalia
Director
(DIN: 03259683)
Place : Mumbai

Surendira Siva Selvaraj
Director
(DIN: 03306089)
Place: Bangalore



**To the Members of
POWERUP CLOUD TECHNOLOGIES PRIVATE LIMITED
Report on the audit of the Indian Accounting Standards (Ind AS) financial statements**

Opinion

We have audited the accompanying Ind AS Financial statements of **POWERUP CLOUD TECHNOLOGIES PRIVATE LIMITED** (“the Company”), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income) and statement of cash flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘Ind AS financial statements’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its losses including other comprehensive, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the standards on auditing [SA’s] specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those SA’s are further described in the auditor’s responsibilities for the audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors’ report thereon

The Company’s board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Director’s Report but does not include the Ind AS financial statements and our auditor’s report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's responsibility for the Ind AS financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management & Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind As financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. In our Opinion, the provisions of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended is not applicable to the company.



- (h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For ADITHYA AND VISHWAS
Chartered Accountants
Firm registration No. – 008943S

Adithya Y S
Partner
M No – 209786

Place – Bangalore
Date – 14th May'20
UDIN - 20209786AAAAAY6008



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the **Annexure A** referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, during the year the company did not carry out physical verification of its fixed assets.
- (c) According to the information and explanations given to us, the Company does not own any immovable properties. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
- (ii) The Company being a service company, it does not hold any inventories. Accordingly, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanation provided by the management of the Company, during the year, it has not advanced any loan, or made any investments or given any guarantee and security under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iv) of the said order is not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year amounts deducted / accrued in the books of account in respect of undisputed statutory dues relating to Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Service tax and other material statutory dues have not been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Service tax and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable except for the following.



Name of the Statute	Nature of the Dues	Amount (INR)	Period to which the amount relates	Due Date	Date of payment
The Finance Act, 1994	Service Tax	916,614/-	FY 2017-18	Various due dates	11-May-2020
Income Tax Act, 1961	Tax Deducted at source	88,180/-	FY 2019-20	Various due dates	07- May-2020

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, the company has raised money by way of term loans during the year and has utilized it for the purpose for which it was raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the explanations given to us, the company has paid/provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the companies Act, 2013.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has complied with the provisions of section 42 of the companies Act, 2013 in respect of preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that amounts raised, have been used for the purpose for which the funds were raised.



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For ADITHYA AND VISHWAS
Chartered Accountants
Firm registration No. – 008943S

Adithya Y S
Partner
M No – 209786

Place – Bangalore
Date – 14th May'20
UDIN - 20209786AAAAAY6008



ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of **POWERUP CLOUD TECHNOLOGIES PRIVATE LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 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.

Auditors’ 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”) 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 applicable to an audit of Internal Financial Controls and, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For ADITHYA AND VISHWAS
Chartered Accountants
Firm registration No. – 008943S

Adithya Y S
Partner
M No – 209786

Place – Bangalore
Date – 14th May'20
UDIN - 20209786AAAAAY6008

Powerupcloud Technologies Private Limited
BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		Amount (INR)	Amount (INR)	Amount (INR)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1(a)	179,991	108,957	1,520,343
(b) Capital work-in-progress	1(b)	1,040,473	-	-
(c) Other Intangible assets	1(c)	2,010,015	59,969	-
(d) Intangible assets under development	1(d)	4,722,027	-	-
(e) Right of Use assets	2	83,068,734	76,994,028	-
(f) Financial Assets				
(i) Loans	3	5,476,886	4,008,031	817,000
(g) Deferred Tax Assets(Net)	4	21,973,019	4,538,741	-
Total Non-Current Assets		118,471,145	85,709,726	2,337,343
Current assets				
(a) Financial Assets				
(i) Trade receivable	5	75,827,715	27,361,789	13,515,065
(ii) Unbilled Revenue	6	30,648,366	12,830,934	-
(iii) Cash and Cash Equivalents	7	15,750,532	5,820,454	974,540
(iv) Loans	8	357,500	119,999	83,501
(v) Other Financial Assets	9	9,127,757	-	-
(b) Income tax assets (Net)	10	32,270,622	18,249,226	10,904,207
(c) Other current assets	11	2,650,043	1,096,645	176,349
Total Current Assets		166,632,535	65,479,047	25,653,662
TOTAL ASSETS		285,103,681	151,188,773	27,991,005
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	173,290	100,000	100,000
(b) Other Equity	13			
(i) Other Reserves		225,093,964	-	-
(ii) Retained Earnings		(150,056,706)	(11,043,113)	9,433,219
Total Equity		75,210,548	(10,943,113)	9,533,219
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	1,177,944	2,122,596
(b) Lease liabilities	2	73,150,504	64,650,427	-
(c) Deferred tax liabilities (net)	15	-	-	80,410
(d) Provisions	16	4,910,931	4,178,798	-
Total Non-Current Liabilities		78,061,435	70,007,169	2,203,006
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	27,112,386	-	-
(ii) Trade Payables				
Due to Micro medium & Small Enterprises		113,000	86,400	-
Due to others	18	56,728,498	44,087,391	8,153,094
(iii) Other Financial Liabilities	19	24,083,331	3,791,262	2,598,672
(b) Lease liabilities	2	10,886,551	9,663,975	-
(c) Other Current Liabilities	20	8,307,556	32,247,975	5,503,014
(d) Provisions	21	4,600,376	2,247,715	-
Total Current Liabilities		131,831,698	92,124,717	16,254,780
TOTAL EQUITY AND LIABILITIES		285,103,681	151,188,773	27,991,005

Notes referred to above form an integral part of Balance sheet

As per our report of even date

For ADITHYA & VISHWAS
Chartered Accountants
Firm Registration No. 008943S

For and on behalf of Board of Directors of
Powerupcloud Technologies Pvt Ltd

Adithya Y S
Partner
Membership No. 209786

Surendira Siva
Director
DIN No.: 03306089

Ashok Kumar Sonthalia
Director
DIN: 03259683

Place: Bangalore
Date : 14th May'20

Place: Bangalore
Date : 14th May'20

Place: Mumbai
Date : 14th May'20

Powerupcloud Technologies Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

Particulars	Note	2019-20	2018-19
		Amount (INR)	Amount (INR)
Total Income:			
Revenue from Operations	22	348,643,669	218,965,365
Other Income	23	20,910,259	1,649,684
		369,553,927	220,615,049
Expenses:			
Employee Benefit Expense	24	212,592,095	106,894,542
Operating expenses	25	189,645,944	109,182,587
Finance costs	26	11,642,520	4,563,745
Depreciation and Amortisation	1&2	9,411,332	3,520,231
Other expenses	27	102,261,699	14,397,823
Total Expenses		525,553,590	238,558,929
Profit before tax		(155,999,662)	(17,943,880)
Prior Years short/excess provision		-	6,373,651
Current tax (net)		-	350,000
Deferred tax		(17,434,278)	(4,619,151)
Tax expense		(17,434,278)	2,104,500
Profit after tax		(138,565,384)	(20,048,380)
NET PROFIT FOR THE YEAR		(138,565,384)	(20,048,380)
OTHER COMPREHENSIVE INCOME		(448,209)	(427,952)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(139,013,593)	(20,476,332)

Notes referred to above form an integral part of Balance sheet

As per our report of even date

For ADITHYA & VISHWAS
Chartered Accountants
Firm Registration No. 008943S

For and on behalf of Board of Directors of
Powerupcloud Technologies Pvt Ltd

Adithya Y S
Partner
Membership No. 209786

Surendira Siva
Director
DIN No.: 03306089

Ashok Kumar Sonthalia
Director
DIN: 03259683

Place: Bangalore
Date : 14th May'20

Place: Bangalore
Date : 14th May'20

Place: Mumbai
Date : 14th May'20

Powerupcloud Technologies Private Limited		
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2020		
Particulars	2019-20 INR	2018-19 INR
A. Cash flow from operating activities		
Net profit before tax	(155,999,662)	(17,943,880)
Adjustments for:		
Depreciation and amortisation	9,411,332	3,520,231
Net loss on disposal of property, plant and equipment	-	413,227
Finance cost relating to lease liabilities	6,685,544	2,206,601
Interest paid	2,650,501	378,604
Interest on unwinding deposit	(365,725)	(108,657)
Realised gain / (loss) on Cash Flow forming part of OCI	(448,209)	(427,952)
Operating profit before working capital changes	(138,066,219)	(11,961,826)
Changes in working capital		
(Increase)/decrease in trade receivables and unbilled revenue	(66,283,359)	(26,677,656)
(Increase)/decrease in other receivables and assets	(43,843,185)	(16,111,995)
Increase/(decrease) in trade & other payables	12,104,152	70,384,760
(Increase)/decrease in working capital	(98,022,393)	27,595,109
Cash generated from/(used in) operations	(236,088,612)	15,633,283
Direct taxes paid	(17,434,278)	(2,104,500)
Net cash from operating activities	(218,654,334)	13,528,783
B. Cash flow from investing activities		
Payment for purchase of property, plant and equipment, Capital Work in progress, Intangible assets and other intangible assets under development	(7,884,587)	(61,627)
Payment for acquiring right-of-use assets	(15,385,031)	(79,853,426)
Proceeds from disposal of property, plant and equipment	-	338,983
Interest received	365,725	108,657
Net cash used in/(generated from) investing activities	(22,903,893)	(79,467,413)
C. Cash flow from financing activities		
Proceeds from issue of share capital	225,167,254	-
Increase in lease liabilities	13,827,110	75,507,800
Payment of lease Liabilities	(10,790,000)	(3,400,000)
Interest paid	(2,650,501)	(378,604)
Proceeds from/(repayment) of borrowings	25,934,442	(944,652)
Net cash from financing activities	251,488,305	70,784,544
Net increase in cash and cash equivalents	9,930,078	4,845,914
Opening Cash and cash equivalents	5,820,454	974,540
Closing Cash and cash equivalents	15,750,532	5,820,454

Notes referred to above form an integral part of Balance sheet

As per our report of even date

For ADITHYA & VISHWAS
Chartered Accountants
Firm Registration No. 008943S

For and on behalf of Board of Directors of
Powerupcloud Technologies Pvt Ltd

Adithya Y S
Partner
Membership No. 209786

Surendira Siva
Director
DIN No.: 03306089

Ashok Kumar Sonthalia
Director
DIN: 03259683

Place: Bangalore
Date : 14th May'20

Place: Bangalore
Date : 14th May'20

Place: Mumbai
Date : 14th May'20

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

3.14 First time adoption (continued..)

(i) (a) Reconciliation of equity as at date of transition (April 1, 2018)

Particulars	As per iGAAP	Ind AS Adjustments	As per Ind AS
	Amount (INR)	Amount (INR)	Amount (INR)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1,520,343	-	1,520,343
(b) Financial Assets			
(i) Loans	817,000	-	817,000
Total Non-Current Assets	2,337,343	-	2,337,343
Current assets			
(a) Financial Assets			
(i) Trade receivable	13,515,065	-	13,515,065
(ii) Cash and Cash Equivalents	974,540	-	974,540
(iii) Loans	83,501	-	83,501
(b) Income tax assets (Net)	10,904,207	-	10,904,207
(c) Other current assets	176,349	-	176,349
Total Current Assets	25,653,662	-	25,653,662
TOTAL ASSETS	27,991,005	-	27,991,005
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	100,000	-	100,000
(b) Other Equity	-	-	-
(i) Retained Earnings	9,433,219	-	9,433,219
Total Equity	9,533,219	-	9,533,219
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2,122,596	-	2,122,596
(b) Deferred tax liabilities (net)	80,410	-	80,410
Total Non-Current Liabilities	2,203,006	-	2,203,006
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	-	-	-
Due to Micro medium & Small Enterprises	-	-	-
Due to others	8,153,094	-	8,153,094
(ii) Other Financial Liabilities	2,598,672	-	2,598,672
(b) Other Current Liabilities	5,503,014	-	5,503,014
Total Current Liabilities	16,254,780	-	16,254,780
TOTAL EQUITY AND LIABILITIES	27,991,005	-	27,991,005

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Powerupcloud Technologies Private Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

3.14 First time adoption (continued..)
(i) (b) Reconciliation of equity as at 31 March 2019

Particulars	As per iGAAP	Ind AS Adjustments	As per Ind AS
	Amount (INR)	Amount (INR)	Amount (INR)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	108,957	-	108,957
(b) Right of Use assets	-	76,994,028	76,994,028
(c) Other Intangible assets	59,969	-	59,969
(d) Financial Assets			
(i) Loans	8,245,000	(4,236,969)	4,008,031
(e) Deferred Tax Assets(Net)	4,146,758	391,983	4,538,741
Total Non-Current Assets	12,560,684	73,149,042	85,709,726
Current assets			
(a) Financial Assets			
(i) Trade receivable	27,361,789	-	27,361,789
(ii) Unbilled Revenue	12,830,934	-	12,830,934
(iii) Cash and Cash Equivalents	5,820,454	-	5,820,454
(iv) Loans	119,999	-	119,999
(b) Income tax assets (Net)	18,249,226	-	18,249,226
(c) Other current assets	1,096,645	-	1,096,645
Total Current Assets	65,479,047	-	65,479,047
TOTAL ASSETS	78,039,731	73,149,042	151,188,773
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	100,000	-	100,000
(b) Other Equity			
(i) Retained Earnings	(9,877,753)	(1,165,359)	(11,043,112)
Total Equity	(9,777,753)	(1,165,359)	(10,943,112)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,177,944	-	1,177,944
(b) Lease liabilities	-	64,650,427	64,650,427
(c) Provisions	4,178,798	-	4,178,798
Total Non-Current Liabilities	5,356,742	64,650,427	70,007,169
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
Due to Micro medium & Small Enterprises	-	-	-
Due to others	44,173,791	-	44,173,791
(ii) Other Financial Liabilities	3,791,262	-	3,791,262
(b) Lease liabilities	-	9,663,974	9,663,974
(c) Other Current Liabilities	32,247,975	-	32,247,975
(d) Provisions	2,247,715	-	2,247,715
Total Current Liabilities	82,460,742	9,663,974	92,124,716
TOTAL EQUITY AND LIABILITIES	78,039,731	73,149,042	151,188,773

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

3.14 First time adoption (continued..)

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2019

Particulars	Note	As per iGAAP	Ind AS Adjustments	As per Ind AS
		Amount (INR)	Amount (INR)	Amount (INR)
Total Income:				
Revenue from Operations	22	218,965,365	-	218,965,365
Other Income	23	1,541,027	108,657	1,649,684
		220,506,392	108,657	220,615,049
Expenses:				
Employee Benefit Expense	24	107,322,494	(427,952)	106,894,542
Operating expenses	25	112,582,587	(3,400,000)	109,182,587
Finance costs	26	2,357,144	2,206,601	4,563,745
Depreciation and Amortisation	1&2	660,833	2,859,398	3,520,231
Other expenses	27	14,397,823	-	14,397,823
Total Expenses		237,320,882	1,238,047	238,558,929
Profit before tax		(16,814,490)	(1,129,390)	(17,943,880)
Tax expense				
Current tax (net)		350,000	-	350,000
Prior period Tax		6,373,651		6,373,651
Deferred tax		(4,227,168)	(391,983)	(4,619,151)
		2,496,483	(391,983)	2,104,500
Profit after tax		(19,310,973)	(737,407)	(20,048,380)
Profit from discontinued operations after tax				
NET PROFIT FOR THE YEAR		(19,310,973)	(737,407)	(20,048,380)
OTHER COMPREHENSIVE INCOME				
		-	(427,952)	(427,952)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(19,310,973)	(1,165,359)	(20,476,332)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

Particulars	Currency	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1- April-19	Additions	Deductions	As at 31-March-20	As at 1- April-19	For the period	On Deductions	As at 31-March-20	As at 31-March-20	As at 1- April-19
1 (a) Property, Plant & Equipment											
Computers											-
a. Owned	INR	1,697,148	13,980	-	1,711,128	1,588,191	26,663	-	1,614,854	96,274	108,957
b. Leased	INR	-	-	-	-	-	-	-	-	-	-
Office equipments	INR	-	104,475	-	104,475	-	31,254	-	31,254	73,221	-
Furniture and fixtures	INR	-	13,465	-	13,465	-	2,969	-	2,969	10,496	-
Total Property, plant& Equipment	INR	1,697,148	131,920	-	1,829,068	1,588,191	60,886	-	1,649,077	179,991	108,957
1 (b) Capital work in progress	INR		1,040,473	-	1,040,473	-	-	-	-	1,040,473	-
Total of Capital work in progress	INR	-	1,040,473	-	1,040,473	-	-	-	-	1,040,473	-
1 (c) Intangible assets											
Software	INR	61,627	-	-	61,627	1,658	38,308	-	39,966	21,661	59,969
IP- Botzer*			1,990,167	-	1,990,167	-	1,813	-	1,813	1,988,354	-
Total intangible assets	INR	61,627	1,990,167	-	2,051,794	1,658	40,121	-	41,779	2,010,015	59,969
1 (d) Intangible assets under development*	INR		4,722,027	-	4,722,027	-	-	-	-	4,722,027	-
Total Intangible assets under development assets	INR	-	4,722,027	-	4,722,027	-	-	-	-	4,722,027	-

* Refere Note A14

Notes accompanying the Financial Statements for the year ended March 31, 2020

Particulars	Currency	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1- Apr-18	Additions	Deductions	As at 31-March-19	As at 1- Apr-18	For the period	On Deductions	As at 31-March-19	As at 31-March-19	As at 31-March-18
1 (a) Property, Plant & Equipment											
<u>Computers</u>											-
a. Owned	INR	1,697,148	-	-	1,697,148	1,050,705	537,486	-	1,588,191	108,957	646,443
b. Leased	INR									-	-
Office equipments	INR	324,230	-	324,230	-	204,218	49,283	253,501	-	-	120,012
Furniture and fixtures	INR	952,711	-	952,711	-	198,824	72,406	271,230	-	-	753,888
Total Property, plant& Equipment	INR	2,974,089	-	1,276,941	1,697,148	1,453,747	659,175	524,731	1,588,191	108,957	1,520,343
1 (c) Intangible assets											
Software	INR	-	61,627		61,627	-	1,658		1,658	59,969	-
Total intangible assets	INR	-	61,627	-	61,627	-	1,658	-	1,658	59,969	-

Powerupcloud Technologies Private Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020 and March 31, 2019

2 Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	76,994,028	-
Addition	15,385,031	79,853,426
Depreciation	(9,310,325)	(2,859,398)
Balance at 31 March, 2020	83,068,734	76,994,028

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020 and March 31, 2019

Particulars	As at March 31, 2020	As at March 31, 2019
Current lease liabilities	10,886,551	9,663,975
Non-current lease liabilities	73,150,504	64,650,427
Total	84,037,055	74,314,402

The following is the movement in lease liabilities during the year ended March 31, 2020 and March 31, 2019

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	74,314,401	-
Additions during the year	13,827,110	75,507,800
Finance cost accrued during the period	6,685,544	2,206,601
Payment of lease liabilities	(10,790,000)	(3,400,000)
Balance at the end	84,037,055	74,314,401

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 and as at March 31, 2019 on an undiscounted basis:

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	12,589,500	10,370,000
One to five years	56,975,417	46,930,796
More than five years	54,341,765	51,770,160
Total undiscounted lease liabilities at year end	123,906,683	109,070,956

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

3	Financial Assets- Loans	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Security Deposits	5,476,886	4,008,031	817,000
		5,476,886	4,008,031	817,000

4	Deferred tax Asset	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Deferred tax Asset	21,973,019	4,538,741	-
		21,973,019	4,538,741	-

* Refer Note A8

5	Trade receivables	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Considered good - Secured			
	Considered good - Unsecured			
	-Due from holding company*	22,032,680	-	-
	- Others	55,440,928	27,361,789	13,515,065
	Less : Allowance as per ECL matrix	(1,645,893)	-	-
		75,827,715	27,361,789	13,515,065

* Refer Note A4

6	Unbilled Revenue	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Unbilled Revenue	30,648,366	12,830,934	-
		30,648,366	12,830,934	-

7	Cash & Cash Equivalent	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Cash on hand	7,562	8,003	101,923
	Balances with Bank			
	- in current accounts			
	Domestic	15,742,970	5,812,451	872,617
		15,750,532	5,820,454	974,540

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

8	Loans	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		Rupees	Rupees	Rupees
	Security Deposits			
	-Considered good - Unsecured	357,500	-	
	Others	-	119,999	83,501
		357,500	119,999	83,501
9	Other Financial Current Assets	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		Rupees	Rupees	Rupees
	Advances Recoverable in cash or kind			
	Others	9,127,757	-	-
		9,127,757	-	-
10	Income tax assets (Net)	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Income tax assets	32,270,622	18,249,226	10,904,207
	Total	32,270,622	18,249,226	10,904,207
11	Other Current Assets	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Prepaid Expenses	2,650,043	1,096,645	176,349
	Total	2,650,043	1,096,645	176,349

12 Equity Share Capital

i) Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
Authorised : 40,000 Ordinary shares of Rs. 10/- each	40,000	400,000	10,000	100,000	10,000	100,000
Issued, paid up and subscribed 1 Ordinary shares at no par value	17,329	173,290	10,000	100,000	10,000	100,000
	17,329	173,290	10,000	100,000	10,000	100,000

ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
At the beginning of the year	10,000	100,000	10,000	100,000	10,000	100,000
Issued during the year as fully paid up	7,329	73,290	-	-	-	-
At the end of the year	17,329	173,290	10,000	100,000	10,000	100,000

iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share.

iv) Shareholders holding more than 5% of equity shares as at the end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% of Shares	No. of shares	% of Shares	No. of shares	% of Shares
S. Surendra Siva	-	-	8,000	80.00%	8,000	80.00%
Ankit Garg	-	-	2,000	20.00%	2,000	20.00%
L & T Infotech Limited	17,328	99.99%	-	-	-	-
Kedar Gadgil (As nominee shareholder for L & T Infotech Limited)	1	0.01%	-	-	-	-
	17,329	100.00%	10,000	100.00%	10,000	100.00%

- v) The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up-equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.
- vi) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.
- vii) No dividend is proposed for the year ending 31st March 2020

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

13	Other Equity	As at March 31, INR	As at March 31, 2019 INR	As at April 1, 2018 INR
(i)	Other Reserves			
	Security Premium Reserve			
	Opening balance	-	-	-
	Addition during the year	225,093,964	-	-
		225,093,964	-	-
(ii)	Retained Earnings			
	Profit and loss account			
	Opening balance	(11,043,113)	9,433,219	8,291,058
	Add: Profit/(Loss) for the year	(138,565,384)	(20,048,380)	1,142,161
	Add: Other Comprehensive Income	(448,209)	(427,952)	-
		(150,056,706)	(11,043,113)	9,433,219
	Balance to be carried forward	(150,056,706)	(11,043,113)	9,433,219

*Securities premium is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of Section 52(2) of Companies Act, 2013

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

14	Borrowings	As at March 31, 2020 INR	As at March 31, 2019 INR	As at April 1, 2018 INR
	Unsecured Loans*	-	1,177,944	2,122,596
	Total	-	1,177,944	2,122,596

* During FY 2018-19, the company had availed an unsecured business loan from Standard Chartered Bank amounting to Rs. 50,00,000/- repayable in 36 installments carrying an interest rate of 18%.p.a. However, the loan is repaid during the year.

15	Deferred tax liabilities	As at March 31, 2020 INR	As at March 31, 2019 INR	As at April 1, 2018 INR
	Deferred Tax Liability*			80,410
	Total	-	-	80,410

* Refer Note A8

16	Provisions	As at March 31, 2020 INR	As at March 31, 2019 INR	As at April 1, 2018 INR
	Provisions for employee benefits*	4,910,931	2,678,798	-
	Others	-	1,500,000	673,326
	Total	4,910,931	4,178,798	673,326

* Refer Note A5

17	Current Borrowings	As at March 31, 2020 INR	As at March 31, 2019 INR	As at April 1, 2018 INR
	Financial Liabilities			
	Unsecured Loans			
	Loan from Holding Company*	25,255,473	-	-
	Other loans from banks**	1,856,913	-	-
	Total	27,112,386	-	-

* During the year the company has availed loan from its holding company amounting to Rs. 2,49,93,045/- repayable within 1 year carrying an interest rate of 7%.p.a and is unsecured. The company has complied with the covenants under the loan arrangement. Also Refer Note A4

** During the year the company has availed business loan facility from Shriram City Union Finance Ltd amounting to Rs. 25,00,000/- repayable in 50 EMIs of Rs. 94,188/-. It carries an interest rate of 20.92%.p.a. and is unsecured. The balance EMI's payable is shown under Current borrowings as it is expected to be payable within the period of next 12 months. As at 31st March 2020, the company has complied with the covenants under the loan arrangement.

Further, during the year below unsecured business loans have been availed by the company and was also repaid.

Name of the lender	Amount of loan	Rate of interest.p.a.	No. of EMIs
Deutsche Bank Ltd	3,500,000	17.79%	36
ICICI Bank Ltd	3,000,000	15.00%	36
Yes Bank Ltd	3,000,000	17.00%	36

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020**

18	Trade Payable	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Due to Micro & Small Enterprises*	113,000	86,400	-
	Due to others	46,384,730	33,312,199	8,153,094
	Accrued Expenses	10,343,768	10,775,191	-
	Total	56,841,498	44,173,791	8,153,094

* Refer Note A6

19	Other Financial Liabilities	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Liabilities for Employee benefits*	24,083,331	2,795,755	1,749,588
	Current Maturities of Long Term Debts	-	995,507	849,084
	Total	24,083,331	3,791,262	2,598,672

* Refer Note A4

20	Other Current Liabilities	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Unearned Revenue	904,709	-	-
	Other payables	7,402,847	32,247,975	5,503,014
	Total	8,307,556	32,247,975	5,503,014

21	Short Term Provisions	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
		INR	INR	INR
	Provisions			
	Provisions for employee benefits	4,600,376	2,247,715	-
	Total	4,600,376	2,247,715	-

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020**

22 Revenue from Operations	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Sale of Services	348,643,669	218,965,365
	348,643,669	218,965,365

23 Other Income	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Foreign Exchange Gain/(Loss)	(1,489,566)	151,713
Miscellaneous income*	22,034,100	1,389,313
Unwinding of Rent Deposit	365,725	108,657
	20,910,259	1,649,684

* Refer Note A4

24 Employee Benefit Expense	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Salaries including overseas staff expenses	200,346,441	99,327,520
Staff welfare	5,462,781	1,738,218
Contribution to provident and other funds	6,782,873	5,828,805
	212,592,095	106,894,542

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

25 Operating expenses	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Travelling and conveyance	8,825,363	4,701,859
Communication expenses	5,752,759	-
Consultancy charges	153,199,469	88,317,615
Rent and establishment expenses*	1,011,637	3,017,091
Telephone charges and postage	740,069	907,984
Advertisement	4,232,392	2,056,358
Repairs and Maintenance	830,974	433,574
Power and fuel	842,708	475,563
Rates and taxes	3,980,780	3,492,957
Loss on sale of fixed assets	-	413,227
Allowance for doubtful debts and advances	1,916,397	-
Bad debts	1,918,475	2,418,424
Less : Provision written back	-	-
Miscellaneous expenses	6,394,922	2,947,936
	189,645,944	109,182,587

*Represents lease rentals for short term leases for the current year

26 Finance Cost	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Int Paid on EPC / Others	2,306,475	1,978,540
Int Paid to Bank	2,650,501	378,604
Finance cost/interest expenses IND AS 116	6,685,544	2,206,601
	11,642,520	4,563,745

27 Other expenses	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Legal and Professional Charges	101,174,074	7,741,789
Books and Periodicals	930,774	1,727,189
Other miscellaneous expenses	156,851	-
Prior Period expenses	-	4,928,845
	102,261,699	14,397,823

Powerupcloud Technologies Private Limited

28. Statement of Changes in Capital employed

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

INR

Particulars	No. of Shares	Share Capital	Share Premium	Retained Earnings	Total Equity
Balance as on April 1, 2019	10,000	100,000	-	(11,043,113)	(10,943,113)
Change in Accounting Policy (Ind As 116)				-	-
Restated Balance as on April 1, 2019	10,000	100,000	-	(11,043,113)	(10,943,113)
Issue of Capital	7,329	73,290	225,093,964		225,167,254
On account of amalgamation					-
Net Profit for the year (April'19 to March'20)				(138,565,384)	(138,565,384)
Other Comprehensive Income				(448,209)	(448,209)
Dividends (Including DDT)				-	-
Other changes/ Trf to general reserve.					-
Balance as on March 31, 2020	17,329	173,290	225,093,964	(150,056,706)	75,210,548

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

INR

Particulars	No. of Shares	Share Capital	Share Premium	Retained Earnings	Total Equity
Balance as on April 1, 2018	10,000	100,000	-	9,433,219	9,533,219
Ind AS Transition Impact				-	-
Change in Accounting Policy (Ind As 116)					-
On account of amalgamation					-
Net Profit for the year				(20,048,380)	(20,048,380)
Other Comprehensive Income				(427,952)	(427,952)
Dividends (Including DDT)				-	-
Other changes/ Trf to general reserve.					-
Balance as on March 31, 2019	10,000	100,000	-	(11,043,113)	(10,943,113)

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****A1 Corporate Information**

Powerupcloud technologies Private Limited ("the Company") is a wholly owned subsidiary by Larsen & Toubro Infotech Limited from October 1, 2019. The Company provides cloud consulting, migration, cloud native application development and managed services and specializes in AWS, Azure and GCP Cloud Platforms.

A2 Basis of preparation**2.1 Basis of Accounting**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The Company is required to prepare its financial statements under Ind AS since the Company was acquired by Larsen and Tubro Limited w.e.f 1st Oct 2019, which is mandatorily required to present its financial statements under Ind AS as per the notification issued by the Ministry of Corporate affairs on 16th February 2015.

The financial statements up to and for the year ended 31 march 2019 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act ('Indian GAAP' or 'previous GAAP')

As these are the company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). Ind AS 101, First-time adoption of Indian Accounting Standards has been applied. As explanation of how the transition to Ind AS has affected the previous reported financial position and financial performance of the company is provided in note 3.14

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

2.3 Current versus non-current classification

The company presents assets and liabilities in the balance sheet bases on current/non-current classification. An asset is treated as current when it

- a. expected to be realised or intended to be sold or consumed in normal operating cycle,
- b. held primarily for the purpose of trading,
- c. expected to be realised within twelve months after the reporting period, or
- d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve month after the reporting period

All other assets are classified as non-current

A liability is current when it is :

- a. expected to be settled in normal operating cycle,
- b. held primarily for the purpose of trading,
- c. dues to be settled within twelve months after the reporting period, or
- d. there is no unconditional right to defer the settlement of liability for atleast twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deffered tax assets and liabilities are classified as non-current assets and liabilities.

The operation cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.4 Basis of Measurement

The financial statements have been prepared on historical cost basis except for the following items:

Items	Measurement basis
Liability for equity settled share based plan	Fair Value
Net defined benefit(asset)/liability	Fair value of plan assets less present value of defined benefit obligations

2.5 Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors and that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised prospectively.

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****2.6 Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

A3 Significant accounting policies**3.1 Property, plant and equipment and other intangible assets****i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. The Company believes that the existing useful life as given below represents the best useful estimated lives of these assets.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life
Computer and IT Peripherals	3 Years
Computer software	3 Years
Intellectual Property	3 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years

Leasehold improvements are depreciated over the lease term

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Intangible assets

Assets like customer relationship, computer software, and internally developed software are stated at cost, less accumulated depreciation, amortisation and impairment.

Development expenditure is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. is considered as an Intangible Asset

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****3.2 Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from contracts priced on time and material basis is recognised when services are rendered and related costs are incurred.

Revenue is recognised upon transfer of control of promised products or services to customers. Revenue is measured based on the consideration specified in a contract with a customer, and is reduced for volume discounts, rebates and other similar allowances.

Revenue from contracts priced on time and material basis is recognised when services are rendered and the related costs are incurred.

Revenue from services performed on Fixed Price basis is recognised over the life of the contract using Proportionate Completion Method.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed

Effective April 1, 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard does not have any

Interest on deployment of surplus funds is recognised using the time proportionate method based on underlying interest rates.

Dividend income on investment is recognised when the right to receive payment is established

3.3 Leases

The Company's lease asset classes primarily consist of leases for buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially of the economic benefits from use of the asset throughout the period of the lease and (3) the company has the right to direct the use of the asset throughout the period of use.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective method on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have been retrospectively adjusted.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 76,994,028 and a lease liability of ₹ 74,314,401. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1 2019 is 8.92%

3.4 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument

a) Recognition and initial measurement

l) Initial measurement Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****b) Classification and subsequent measurement****i) Non-derivative financial assets**

A) Financial assets at amortised cost Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non current assets.

Financial assets are subsequently measured at amortised cost if: a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and b) the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B) Financial assets at fair value through other comprehensive income (FVTOCI) Financial assets are subsequently measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both: a) Collecting contractual cash flows and selling financial assets and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C) Financial assets at fair value through profit and loss (FVTPL) Fair value through profit and loss is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as financial asset at fair value through other comprehensive income is

c) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Company's balance sheet where the obligation specified in the contract is discharged or cancelled or expired

3.5 Impairment**I) Impairment of trade receivables and unbilled receivables:**

The Company assesses at each date of statement of financial position whether a financial asset in form of trade receivables and unbilled receivables is impaired. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable and unbilled receivables. The provision matrix is based on available external and internal credit risk factors such as credit default, credit rating from credit rating agencies and Company's historically observed default rates over the expected life of trade receivable and unbilled receivables. ECL impairment loss allowance (or reversal) recognised during the period as expense/(income) respectively in the statement of profit and loss.

II) Impairment of intangible assets:

Other intangible assets At the end of each reporting period, the Company reviews the carrying amounts of intangible assets to determine if there is any indication of loss suffered. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

3.6 Employee benefits**a) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service at the vesting date

c) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which contribution are made to appropriate authorities at a predetermined rates and charged to the statement of profit and loss in the year in which they are incurred.

d) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial gains and losses are charged to the statement of profit and loss

e) Compensated absence

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method as at the reporting date. To the extent the employee has unconditional right to avail the leave, the same has been classified as "current" even though the same is measured as "other long-term employee benefit" as per Ind AS 19

f) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****3.7 Foreign currency**

Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

3.8 Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.9 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for

3.10 Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

3.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

3.13 Earnings per share

In determining the earning per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all potential dilutive equity shares. Potential dilutive equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****3.14 First time adoption**

As stated in Note 2.1, these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended 31 March 2019, the Company had prepared its separate financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' or 'Indian GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable as at and for the year ended 31 March 2020, together with the comparative period data as at and for the year ended 31 March 2019 and in the preparation of an opening Ind AS balance sheet as at 1 April 2018 (the Company's transition date) as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A Optional exemptions availed:**1. Property plant and equipment and intangible assets**

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. The Company has disclosed the net carrying amount of property, plant and equipment and intangible assets as its deemed cost as at the date of transition.

B Mandatory exceptions:**1. Classification and measurement of financial assets**

The Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively.

2. Estimates

The Company has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the derecognition requirements of Ind AS 109 prospectively to transactions occurring on or after the date of transition. However, it also allows the first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has chosen to avail the exception to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition.

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****A4 Related party****Related parties with whom transactions have taken place during the year**

Holding Company: Larsen & Toubro Infotech Limited (Since October 1, 2019)

LTI Subsidiaries: Larsen & Toubro Infotech GmbH (LTI GmbH)
 Larsen & Toubro Infotech Canada Limited
 Larsen & Toubro Infotech LLC
 L&T Infotech Financial Services Technologies Inc.
 Larsen & Toubro Infotech South Africa (Pty) Limited
 L&T Information Technology Services (Shanghai) Co. Ltd
 Larsen & Toubro Infotech Austria GmbH
 L&T Information Technology Spain, SL
 L&T Infotech S.de. RL. C.V
 Larsen & Toubro Infotech Norge AS
 Syncordis Software Services India Private Limited
 Syncordis S.A. Luxembourg
 Syncordis SARL, France
 Syncordis Limited, UK
 Syncordis PSF S.A.
 Ruletronics Systems Private Limited, India
 Ruletronics Limited , UK
 Ruletronics Systems Inc, US
 Nielsen + Partner Unternehmensberater GmbH, Germany
 Nielsen + Partner SA, Luxembourg
 Nielsen + Partner Unternehmensberater AG, Switzerland
 Nielsen + Partner Pte Ltd, Singapore
 Nielsen & Partner Pty Ltd, Australia
 Nielsen + Partner Co Ltd, Thailand
 Lymbyc Solutions Private Limited, India
 Lymbyc Solutions Inc., US

Company in which the KMP is a director/member Powerupcloud Technologies Pte Ltd (till 31st Dec 2019)

Key management personnel (KMP)

Whole Time director Surendra Siva
 Whole Time director Ankit Garg (till 24th Oct 2019)
 Relative of KMP Gowtham Selvaraj

C. The following is a summary of related party transactions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
1. Expenses		
Salary and remuneration Paid - Surendra Siva	4,087,668	2,331,510
Salary and remuneration Paid - Ankit Garg	1,263,499	1,279,380
Salary and remuneration Paid - Gowtham Selvaraj	1,329,968	1,074,360
Interest Paid - Larsen & Toubro Infotech Limited	291,586	-
Reimbursement of expenses - Surendra Siva	434,488	370,000
Reimbursement of expenses - Ankit Garg	334,525	-
Reimbursement of expenses - Gowtham Selvaraj	2,987	-
	7,744,721	5,055,250

2. Unsecured Loan received

Larsen & Toubro Infotech Limited	24,993,045	-
	24,993,045	-

3. Sale of services

Powerupcloud Technologies Pte Ltd	37,266,892	13,281,954
	37,266,892	13,281,954

4. Reimbursement of expenses

Larsen & Toubro Infotech Limited*	24,072,743	-
Powerupcloud Technologies Pte Ltd	1,033,845	1,963,694
	25,106,588	1,963,694

* including GST

E. The following is a summary of balances payable to related parties:

Particulars	As at 31 March 2020	As at 31 Mar 2019
1. Loan repayable		
Larsen & Toubro Infotech Limited (including interest thereon)	25,255,473	-
	25,255,473	-
2. Salary payable		
Surendra Siva	943,292	-
Gowtham Selvaraj	168,007	-
	1,111,299	-
3. Trade receivables		
Larsen & Toubro Infotech Limited	22,032,680	-
Powerupcloud Technologies Pte Ltd	6,770,415	1,963,694
	28,803,095	1,963,694

G. Terms and conditions

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within the credit period allowed as per the policy. None of the balances is secured. No guarantees have been given or received during the year. The loss allowance on loans and trade receivables including those to subsidiaries if any, has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for loans and trade receivables considered good on the basis that credit risk exists even though it may be very low.

A5 Gratuity and other employee benefits**a) Define contribution plan**

The amount recognised as an expense towards contribution to provident fund and employee state insurance aggregated to Rs 42,28,148/- and Rs. 35,74,125/- for the year ended 31 March 2020 and 31 March 2019 respectively.

b) Define benefit plan

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible to a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet as at 31 March 2020, 31 March 2019

c) Statement of reconciliation of present value of defined benefit obligations

Particulars	INR	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	2,682,632	-
Benefits paid	142,003	-
Current service cost	2,042,763	2,682,632
Interest cost	174,718	-
Remeasurements due to :		
change in experience adjustment	-	-
change in demographic assumptions	448,209	-
changes in financial assumptions	-	-
Balance at the end of the year	5,206,319	2,682,632

d) Net defined benefit liability

Particulars	INR	
	As at 31 March 2020	As at 31 March 2019
Non-current	4,910,931	2,678,798
Current	295,388	3,834
	5,206,319	2,682,632

e) Expense recognised in the statement of profit and loss under employee benefit expenses:

Particulars	INR	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	2,042,763	2,682,632
Interest cost	174,718	-
	2,217,481	2,682,632

f) Remeasurements recognised in other comprehensive income:

Particulars	INR	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(Gain)/loss from changes in demographic assumptions	448,209	427,952
(Gain)/loss from changes in experience adjustments	-	-
(Gain)/loss from changes in financial assumptions	-	-
	448,209	427,952

g) Actuarial assumptions

The weighted-average assumptions used to determine benefit obligations are set out below:

Particulars	INR	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.69%	7.79%
Salary increase	7.00%	7.00%
Attrition rate	15.00%	5.00%
Retirement age	60	60
Mortality rate	IALM2012-14	IALM2012-14

Notes:

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the
(ii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

h) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions

Impact from Increase/Decrease in		As at 31 March 2020	As at 31 March 2019
Discount rate	Up 100 basis point	4,697,078	2,249,207
	Down 100 basis point	5,822,452	3,236,905
Salary Growth rate	Up 100 basis point	5,709,409	3,194,814
	Down 100 basis point	4,773,920	2,251,418
Attrition rate	Up 100 basis point	5,111,680	2,635,356
	Down 100 basis point	5,303,557	2,727,540

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit

i) Expected future cash flows

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	310,089	295,388
Between one to three years	501,847	435,252
Between three to five years	387,234	294,463
After five years	12,327,867	4,181,216

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31, 2020****A6 Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 (31 March 2019) has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Particulars	As at 31 March 2020	As at 31 Mar 2019
The principal amount and the interest due thereon remaining unpaid to any		
(a) (i) Principal	113,000	86,400
(ii) Interest	-	-
(b) The amount of interest paid by the Company in terms of Section 16 of the		
(i) Interest	-	-
(ii) Payment	-	-
(c) The amount of interest due and payable for the period of delay in making	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the	-	-
(e) The amount of further interest remaining due and payable even in the	-	-

* No interest has been paid by the Company during the year.

A7 Unhedged foreign currency exposure

The Company has not taken any hedging instruments to hedge the foreign currency exposure.

	Currency	As at 31 March 2020	As at 31 March 2019
Trade receivables	SGD	126,386.00	39,527.00
	USD	88,365.00	63,234.00
	Equivalent INR	13,355,398.00	6,404,263.00
Trade Payable	USD	27,641.00	-
	Equivalent INR	2,084,645.00	-
Unbilled Revenue	USD	32,022.00	-
	Equivalent INR	2,415,872.00	-

A8 Deferred Tax Asset/Liability

Income Taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability after considering tax allowances and exemptions. The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax asset or deferred tax liability is recorded for the timing differences.

Major components of Deferred tax liabilities and assets

Particulars	As at 31-March-2020	As at 31-March-2019
	INR	INR
a) WDV of Assets	80,598	(339,378)
a) Other Items (Reversible on subsequent payments)	21,892,421	4,878,119
Net Deferred Tax Assets/ (Liabilities)	21,973,019	4,538,741

Powerupcloud Technologies Private Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

A9 Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars		2019-20	2018-19
		INR	INR
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (‘)	A	(139,013,593)	(20,476,332)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	17,329	10,000
Basic and diluted earnings per equity share (‘)	A / B	(8,022.02)	(2,047.63)
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (‘)	A	(139,013,593)	(20,476,332.0)
Add : Interest on convertibles (net of tax)	B	-	-
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (‘)	C = A+B	(139,013,593)	(20,476,332)
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	13,184	10,000
Add : Shares deemed to be issued for no consideration in respect of :	E	-	-
Compulsorily convertible preference share capital	F	-	-
Compulsorily convertible debentures	G	-	-
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	13,184	10,000
Diluted earnings per equity share (‘)		(10,544.19)	(2,047.63)
Face value per equity share (‘)		10.00	10.00

Powerupcloud Technologies Private Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020
A10 Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	March 31, 2020			March 31, 2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Security Deposits- Non Current	3	-	-	5,476,886	-	-	4,008,031
Security Deposits- Current	8			357,500			-
Trade receivables	5	-	-	75,827,715	-	-	27,361,789
Unbilled Revenue	6			30,648,366			12,830,934
Cash and cash equivalents	7	-	-	15,750,532	-	-	5,820,454
Other Financial Assets	9			9,127,757			-
Total Financial Asset		-	-	137,188,756	-	-	50,021,208
Financial liability							
Borrowings- Non Current	14	-	-	-	-	-	1,177,944
Borrowings- Current	17			27,112,386			-
Trade Payables	18	-	-	56,841,498	-	-	44,173,791
Other Financial Liabilities	19	-	-	24,083,331	-	-	3,791,262
Total Financial Liabilities		-	-	108,037,215	-	-	49,142,997

Powerupcloud Technologies Private Limited
Notes accompanying the Financial Statements for the year ended March 31, 2020

A11 Disclosure pursuant to Ind AS 12 - "Income taxes"

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Accounting profit before tax	(155,999,662)	(17,943,880)
Applicable tax rate	25.17%	26.00%
Profit before tax * Applicable tax rate	(39,265,115)	(4,665,409)
Net effect of Allowable/Disallowable expenses and tax losses	39,265,115	7,180,060
Effect of Deferred Taxes	(17,434,278)	(4,619,151)
Income tax expense reported in the statement of profit and loss	(17,434,278)	(2,104,500)

A12 Events occurring after the reporting period

The financial statements were approved by the Board of Directors on May 14, 2020 and there are no significant events occurring after Balance sheet date.

A13 Investor Education and Protection Fund

The Company is not required to transfer any amount to Investor Education and Protection Fund.

A14 Intellectual Property

Powerup has 2 AI based platforms.

Cloud ensure.io is an autonomous cloud governance platform that continuously monitors an enterprise's cloud services, detects security and compliance violations in real time and recommends or executes appropriate fixes.

Botzer.io is an Enterprise AI platform that helps organisation adopt AI faster across natural Language processing, Image recognition, Deeo Learning use cases and saves time in trial and error experimentation

During the year one of the AI based platform viz Botzer.io is capitalised amounting to Rs. 19,90,167/- on 31-Mar-2020 and Cloud ensure.io is still under development and is disclosed under intangible assets under development

A15 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. 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.

Notes accompanying the Financial Statements for the year ended March 31, 2020

A16 Segment reporting

SEGMENT REPORTING Segments have been identified in accordance with Indian Accounting Standards (“Ind AS”) 108 on Operating Segments, considering the risk or return profiles of the business. As required under Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of various performance indicators. Accordingly, information has been presented for the Company’s operating segments. The Company has identified segments as Banking, Financial Services & Insurance (BFSI), Manufacturing (MFG), Energy & Utilities (E&U), High-Tech, Media & Entertainment (HIME) and CPG, Retail, Pharma & Others (CRP & Others). The Company has presented its segment results accordingly. The reportable segment information for the corresponding previous year has been restated to reflect the above changes to facilitate comparability.

Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

Geography	2019-20	2018-19
India	248,115,944	171,728,906
Luxembourg	-	-
United Kingdom	-	-
Singapore	49,942,892	13,338,203
Australia	-	212,029
United States	39,391,371	30,797,290
Dubai	10,425,383	2,617,464
Bangladesh	768,078	271,474
Total	348,643,668	218,965,366

Powerupcloud Technologies Private Limited**Notes accompanying the Financial Statements for the year ended March 31,****2020****A17 Financial Risk Management**

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i. Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's revenues are principally in INR. The Company does not enter into hedge transactions.

ii. Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

iii. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company measures risk through sensitivity analysis.

iv. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

v. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The principal credit risk that the Company exposed to is non-collection of trade receivable and late collection of receivable leading to The Company makes adequate provision for non-collection of trade receivable and unbilled receivables. Further, the Company has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable from parties other than related parties, the Company has made provision for Expected Credit loss ('ECL') based on ageing analysis of its trade receivable. For trade receivables(other than related parties), these range from 1.5% for dues outstanding up to six months to 19.2% for dues outstanding for more than 36 months for 2019-20.

ECL allowance for non-collection and delay in collection of receivable, on a combined basis is ₹ 474,147/- for the financial year 2019-20. The movement in allowance for doubtful debts comprising provision for both non-collection and delay in collections of receivable.

Powerupcloud Technologies Private Limited

Notes accompanying the Financial Statements for the year ended March 31, 2020

A18	Other Comprehensive Income	As at March 31, 2020	As at March 31, 2019
		INR	INR
Items that will not be reclassified to profit or loss			
	Remeasurements of the net defined benefit Plans	(448,209)	(427,952)
	Income tax relating to Remeasurements of the net defined benefit Plans	-	-
		(448,209)	(427,952)
Items that will be reclassified to profit or loss			
	Effective portion of (gains) / losses on hedging instruments in a cash flow hedges	-	-
	Tax relating-Effective portion of gains/losses on hedging instrmnts in CF hedge	-	-
	Foreign Currency Translation Reserve	-	-
		-	-
	TOTAL	(448,209)	(427,952)

As per our report of even date

For ADITHYA & VISHWAS
Chartered Accountants
Firm Registration No. 008943S

For and on behalf of Board of Directors of
Powerupcloud Technologies Pvt Ltd

Adithya Y S
Partner
Membership No. 209786

Surendira Siva
Director
DIN No.: 03306089

Ashok Kumar Sonthalia
Director
DIN: 03259683

Place: Bangalore
Date : 14th May'20

Place: Bangalore
Date : 14th May'20

Place: Mumbai
Date : 14th May'20



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