

**INFOBEANS TECHNOLOGIES EUROPE GMBH**  
**Standalone Balance Sheet as at March 31, 2020**

(Amount in Rs.)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	62,180	58,149
(b) Financial assets			
i) Other financial assets	3	41,525	38,851
<b>Total non-current assets</b>		<b>103,705</b>	<b>97,000</b>
<b>2 Current assets</b>			
(a) Inventories	4	-	-
(b) Financial assets			
i) Trade receivables	5	15,579,304	11,714,376
ii) Cash and cash equivalents	6	8,464,520	14,331,853
iii) Other financial assets	7	327,384	-
(c) Other current assets	8	-	1,856
<b>Total current assets</b>		<b>24,371,208</b>	<b>26,048,085</b>
<b>Total assets (1+2)</b>		<b>24,474,914</b>	<b>26,145,085</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	9	23,150,076	21,659,544
(b) Other equity	10	(8,990,792)	(12,452,310)
<b>Total equity</b>		<b>14,159,284</b>	<b>9,207,234</b>
<b>2 Liabilities</b>			
<b>Current Liabilities</b>			
(a) Financial liabilities			
ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	11	7,829,104	16,427,260
(c) Other current liabilities	12	2,486,655	510,591
<b>Total current liabilities</b>		<b>10,315,759</b>	<b>16,937,851</b>
<b>Total equity and liabilities (1+2)</b>		<b>24,475,044</b>	<b>26,145,085</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For Prakash S. Jain & Co.**  
Chartered Accountants  
FRN. 002423C



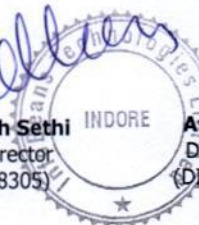
**CA. Gaurav Thepadia**  
(Partner)  
M.No. 405326

Place : Indore  
Date : May 18, 2020

**For and on behalf of Board of Directors of Holding Company of InfoBeans Technologies Europe GmbH**

**Mr. Siddharth Sethi**  
Managing Director  
(DIN : 01548305)

**Avinash Sethi**  
Director & CFO  
(DIN : 01548292)





**INFOBEANS TECHNOLOGIES EUROPE GMBH**  
Statement of profit and loss for the year ended March 31, 2020

(Amount in Rs.)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1 Income</b>			
(a) Revenue from Operations	13	56,604,819	61,935,603
(b) Other Income	14	870	130
<b>Total Revenue (I)</b>		<b>56,605,689</b>	<b>61,935,733</b>
<b>2 Expenses</b>			
(a) Employee Benefits Expense	15	8,620,020	8,524,548
(b) (Increase)/Decrease in Technical Development WIP	16	-	14,099,349
(d) Depreciation and Amortization Expenses	2	-	31,112
(e) Other Expenses	16	43,888,926	48,761,198
<b>Total Expenses (II)</b>		<b>52,508,946</b>	<b>71,416,207</b>
<b>3 Profit Before Tax (I - II)</b>		<b>4,096,744</b>	<b>(9,480,474)</b>
<b>4 Tax Expense</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
<b>5 Profit for the Year</b>		<b>4,096,744</b>	<b>(9,480,474)</b>
<b>6 Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit or loss		-	-
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>7 Total Comprehensive Income for the year</b>		<b>4,096,744</b>	<b>(9,480,474)</b>

**8 Earning Per Equity Share**

Equity Shares of par value Eur 1/- each

(1) Basic (₹)	14.70	(34.01)
(2) Diluted (₹)	14.70	(34.01)

See accompanying notes forming part of the financial statements

In terms of our report attached

**For Prakash S. Jain & Co.**

Chartered Accountants

FRN. 002423C

**CA. Gaurav Thepadia**

(Partner)

M.No. 405326



**For and on behalf of Board of Directors of Holding  
Company of InfoBeans Technologies Europe GmbH**

**Siddharth Sethi**

(Managing Director)

(DIN : 01548305)



**Avinash Sethi**

(Director and Chief Financial Officer)

(DIN : 01548292)

Place : Indore

Date : May 18, 2020



**INFOBEANS TECHNOLOGIES EUROPE GMBH**  
**Notes Forming Part of Financial Statements**

**1 Company Overview**

InfoBeans Technologies Europe GmbH having its registered office at UBockenheimer Landstraße 51-53 60325, Frankfurt am Main is a 100% Subsidiary of InfoBeans Technologies Limited ("The Holding Company") situated in India. The Holding Company is a CMMI level 3. The Company is a software services company specializing in business IT Services. Our business is primarily engaged in providing custom developed services to offshore clients. InfoBeans provides software engineering services primarily in Custom Application Development (CAD), Content Management Systems (CMS), Enterprise Mobility (EM), Big Data Analytics (BDA).

**2 Significant accounting policies**

**a Basis of Preparation of Financial Statements:**

These financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policy below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting transactions are recorded in US Dollars which is the local currency for preparation of financial statements. The accompanying financial statements have been prepared in Indian rupees being the national currency of India only for the purpose of consolidation of accounts with the Holding Company as per the requirements of Accounting Standards (AS) 21- "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules, 2014.

Assets and Liabilities are translated into Indian Rupees at the exchange rate of 1 AED = 20.5100 INR prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian Rupee at average rate of 1 AED = 19.3035 INR and the resulting net exchange differences are accumulated in Foreign Currency Translation Reserve, as the operations of the subsidiary are considered as Non-Integral Foreign operations.

**b Revenue**

Revenue from information technology and related services include revenue earned from services rendered on 'time and material' basis, time bound fixed price engagements and fixed price development contracts.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items. Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed price maintenance contracts is recognised ratably over the period of the contract in accordance with its terms.

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets





**c Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**d Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price and related expenses and for qualifying assets, borrowing costs are capitalised based on the Company's accounting policy.

Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

Depreciation is recognised so as to write off the cost of assets (other than free hold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Estimated useful lives of the assets are as follows:

Particulars	Useful life	
	As per Company	As per Schedule II
Leasehold improvements	10	3 to 15
Electric installation	10	10
Office equipments	5	5
Furniture and fixtures	10	10
Vehicles	8	8
Computers	5	3 to 6

**e Impairment of tangible and intangible assets**

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered any impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in profit or loss.

**f Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all applicable overheads in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to make the sale.





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#### **Provisions, contingent liabilities and contingent assets**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits to be received from the contracts.

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#### **Financial instruments**

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **(i) Initial recognition**

Financial assets and financial 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 and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

##### **(ii) Financial assets**

##### **(I) Classification of financial assets**

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

##### **(II) Subsequent measurement**

##### **- Debt Instrument - amortised cost**

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

(a) if the asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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.

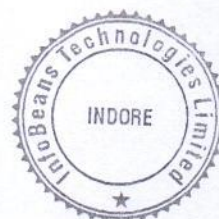
##### **- Fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

(b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.





**- Fair value through Profit and Loss (FVTPL):**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**(III) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**(IV) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimating future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.





#### **(V) Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

#### **(iii) Financial liabilities and**

#### **(I) Classification of debt or equity**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **- Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **(II) Subsequent measurement**

#### **- Financial liabilities measured at amortised cost:**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

#### **- Financial liabilities measured at fair value through profit and loss (FVTPL):**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.





### **(III) Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **(IV) Fair value measurement**

The Company measures financial instruments such as debts and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **(V) Financial Guarantee contracts**

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

#### **i Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **j Leases**





## Company as a lessee

The Company's lease asset classes primarily consist of leases for land and 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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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 ROU 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. ROU 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. ROU 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 these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

## Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

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## Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results are anti-dilutive.

2(a)

## Key accounting judgements and estimates

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

### (i) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### (ii) Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.





**(iii) Allowance for uncollectible trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

a)

**Mandatory exceptions:**

**(i) Accounting estimates:**

The Company's estimates in accordance with Ind AS at the date of transition are consistent with previous GAAP (after adjustments to reflect any difference in accounting policies) or are required under Ind AS but not under previous GAAP.

**(ii) De-recognition of financial assets and financial liabilities:**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April, 2018 (the transition date).

**(iii) Classification and measurement of financial assets:**

The Company has determined the classification and measurement of financial assets in terms of whether they meet the amortised cost criteria or the fair value criteria based on the facts and circumstances that existed as on the transition date.

**(iv) Impairment of financial assets:**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

b)

**Optional exemptions:**

**(i) Deemed cost for property, plant and equipment and intangible assets:**

The Company has elected to carry all assets at carrying value as at April 1, 2018 as deemed cost, recognized as of April 1, 2018 (transition date) as per Ind AS.

**(ii) Determining whether an arrangement contains a lease:**

The Company has applied Appendix C of Ind AS 17 to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**Standards issued but not yet effective**

In March 2018, the Ministry of Corporate Affairs (MCA) have not notified or issued any amendments to standards which is effective from April 1, 2020 to the Company.





**INFOBEANS TECHNOLOGIES EUROPE GMBH**
**Statement of changes in equity for the year ended March 31, 2020**
**9. Equity share capital**
**(Amount in Rs.)**

<b>Balance as at March 31, 2019</b>	<b>21,659,544</b>
FCTR	1,490,532
Issue of equity shares	
<b>Balance as at March 31, 2020</b>	<b>23,150,076</b>

**10. Other equity**
**(Amount in Rs.)**

Particulars	Reserves and Surplus		Total Other Equity
	General reserve	Retained earnings	
<b>Balance as at April 1, 2018</b>	<b>(2,586,348)</b>	<b>(869,689)</b>	<b>(3,456,037)</b>
Profit for the year		(9,480,474)	(9,480,474)
FCTR during the year	484,201		484,201
Recognition of share based payment expenses			-
Transactions with owners in their capacity as owners			-
- Dividend (including Dividend Tax)			-
<b>Balance as at March 31, 2019</b>	<b>(2,102,147)</b>	<b>(10,350,163)</b>	<b>(12,452,310)</b>
Profit for the year		4,096,744	4,096,744
FCTR during the year	(635,226)		(635,226)
Recognition of share based payment expenses			-
Transactions with owners in their capacity as owners			-
- Dividend (including Dividend Tax)			-
<b>Balance as at March 31, 2020</b>	<b>(2,737,373)</b>	<b>(6,253,419)</b>	<b>(8,990,792)</b>

In terms of our report attached

**For Prakash S. Jain & Co.**

Chartered Accountants

FRN. 002423C


**CA. Gautav Thepadia**

(Partner)

M.No. 405326

Place : Indore

Date : May 18, 2020

**For and on behalf of Board of Directors of Holding  
Company of InfoBeans Technologies Europe GmbH**
**Mr. Siddharth Sethi**

Managing Director

(DIN : 01548305)


**Avinash Sethi**

Director &amp; CFO

(DIN : 01548292)



(Amount in ₹)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>NOTE '3'</b>		
<b>OTHER FINANCIAL ASSETS</b>		
Security Deposits	41,525	38,851
<b>Total</b>	<b>41,525</b>	<b>38,851</b>
<b>NOTE '4'</b>		
<b>INVENTORIES</b>		
Opening Balance	-	14,099,349
Add: Addition during the Year	-	-
Less: Utilised during the Year	-	14,099,349
Closing Balance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>NOTE '5'</b>		
<b>TRADE RECEIVABLES</b> (Unsecured, Consider Good)		
Outstanding for a period less than six months from the date they are due	15,579,304	11,714,376
Outstanding for a period exceeding than six months from the date they are due	-	-
Less: Provision for Doubtful Debts	-	-
<b>Total</b>	<b>15,579,304</b>	<b>11,714,376</b>
<b>NOTE '6'</b>		
<b>CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents	-	-
Balance with Banks	-	-
Cash on Hand	-	-
State Bank of India	8,464,520	14,331,853
<b>Total</b>	<b>8,464,520</b>	<b>14,331,853</b>
<b>NOTE '7'</b>		
<b>OTHER FINANCIAL ASSETS</b>		
-Other Advances	193,259	-
-Unbilled Revenue	134,125	-
<b>Total</b>	<b>327,384</b>	<b>-</b>
<b>NOTE '8'</b>		
<b>OTHER CURRENT ASSETS</b>		
-Prepaid Insurance	-	1,856
<b>Total</b>	<b>-</b>	<b>1,856</b>
<b>NOTE '11'</b>		
<b>TRADE PAYABLE</b>		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	7,829,104	16,427,260
<b>Total</b>	<b>7,829,104</b>	<b>16,427,260</b>
<b>NOTE '12'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
VAT Payable	2,486,655	510,592
<b>Total</b>	<b>2,486,655</b>	<b>510,592</b>





Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>NOTE '13'</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Software	-	-
Export	-	-
Domestic	56,604,819	61,935,603
<b>Total</b>	<b>56,604,819</b>	<b>61,935,603</b>
<b>NOTE '14'</b>		
<b>OTHER INCOME</b>		
Interest Income	870	130
<b>Total</b>	<b>870</b>	<b>130</b>
<b>NOTE '15'</b>		
<b>EMPLOYEE BENEFIT EXPENSES'</b>		
Salaries, Wages & Allowances	8,620,020	8,524,548
<b>Total</b>	<b>8,620,020</b>	<b>8,524,548</b>
<b>NOTE '16'</b>		
<b>OTHER EXPENSES</b>		
Computers - Repair & Maintenance		
Rent	904,576	816,315
Insurance	1,881	13,736
Travelling Expenses	346,358	583,430
Bank Charges	141,384	51,369
Bad Debts Write Off	-	365,736
Postage Exp	260	22,288
Internet Charges	-	38,476
Legal & Consultancy	5,747,048	1,691,943
Business Promotion Exp	8,503,375	6,786,662
Telephone Expenses	77,290	166,044
Professional Fees	28,166,753	38,170,484
Miscellaneous Expenses	-	54,713
<b>Total</b>	<b>43,888,926</b>	<b>48,761,198</b>
<b>NOTE '17'</b>		
<b>EARNINGS PER SHARE (EPS)</b>		
(a) Net Profit/(Loss) after tax as per Statement of Profit and Loss Account attributable to Equity Shareholders (₹)	4,096,744	(9,480,474)
(b) Weighted Average number of equity share used as denominator for calculating EPS (Nos.)	278,750	278,750
(c) Basic and Diluted Earning per share (₹)	14.70	(34.01)
(d) Face Value per equity shares (EURO)	1	1





**InfoBeans Technologies Europe GmbH**  
**Notes Forming Part of Financial Statements**

**18 SERVICES RENDERED:**

(Amount in ₹)		
Particular	2019-20	2018-19
Software Development Services	56,604,819	61,935,603
<b>Total</b>	<b>56,604,819</b>	<b>61,935,603</b>

**19 DETAILS OF RELATED PARTIES AND THEIR RELATIONSHIP**

<b>I. Related Parties and their relationship</b>		
a)	Key Managerial Personal	
	- Mr. Siddharth Sethi	Director
b)	Associates	
	- InfoBeans INC	Fellow Subsidiary
	- InfoBeans Technologies DMCC	Fellow Subsidiary
	- Philosophie Group Inc	WOS of Fellow Subsidiary
c)	Holding Company	
	- InfoBeans Technologies Limited	

**II. The following transaction were carried out with the Related Parties in the ordinary course of Business -**

S.No.	Particular	Year ended March 31, 2020	Year ended March 31, 2019
<b>1</b>	<b>Transactions with Subsidiary Company</b>		
	- InfoBeans Technologies Ltd. (Professional Fees Paid)	28,862,777	3,77,72,500
<b>2</b>	<b>Investment by Holding Company</b>		
	- InfoBeans Technologies Ltd.	23,150,076	21,659,544
<b>3</b>	<b>Balance Payable at the end of the year</b>		
	- InfoBeans Technologies Ltd.	7,910,148	6,720,274

**20 Unhedged Foreign currency exposure:-**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Trade Receivables	15,579,304	11,714,376
Hedged Trade Receivables	-	-
<b>Unhedged Trade Receivables</b>	<b>15,579,304</b>	<b>11,714,376</b>

**21 In accordance with the Accounting Standard (AS) 19 "Leases" issued by The Institute of Chartered Accountants of India (ICAI) and specified u/s, 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014 details of finance lease are as under:**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Lease Rentals recognised during the year	904,576	816,315

Lease Obligations payable	As at 31st March, 2020	As at 31st March, 2019
Within one year	-	-
Due in period between one year and five years	-	-
<b>Due after five years</b>	<b>-</b>	<b>-</b>





## 22 Quantitative details:

The Company is primarily engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5 (viii)(c) of general instructions for preparation of the Statement of Profit and Loss as per Schedule III to the Companies Act, 2013.

- 23 In the opinion of Board, Current Assets, Loan and Advances have a value of realization in the ordinary course of business at least equal to the amount at which these are stated and that the provision for known liabilities are adequate and not in excess of the amount reasonable necessary.

## 24 Taxation -

As per the laws of the host country no income provision is applicable.

- 25 Opening Balances for the FY 2019-20 are verified from closing balances of Audited Financial Statements of the FY 2018-19.

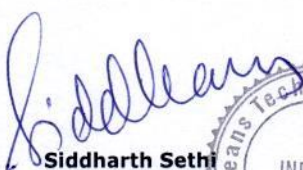
As per our report of even date attached  
For Prakash S Jain & co.  
Chartered Accountants  
FRN. 002423C

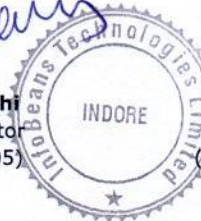


  
CA. Gaurav Thepadia  
(Partner)  
M.No. 405326

Place : Indore  
Date : May 18, 2020

For and on behalf of Board of Directors of Holding  
Company of InfoBeans Technologies Europe GmbH

  
Siddharth Sethi  
Managing Director  
(DIN : 01548305)



  
Avinash Sethi  
(Director & CFO)  
(DIN : 01548292)



InfoBeans Technologies Europe GmbH  
STATEMENT OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED ON 31st MARCH, 2020  
Note '2'

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Op.Bal. As on 01.04.2019	Addition during the year	FCTR	Gross Block As on 31.03.2020	Op.Bal. As on 01.04.2019	Provided during the year	FCTR	Gross Block As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
(A)	<b>Tangible Assets</b>										
1	Computers	25,025	-	1,722	26,747	23,782	-	1,635	25,417	1,330	1,243
2	Mobiles	41,959		2,887	44,847	15,510		1,061	16,571	28,276	26,449
3	Furnitures & Fixtures	82,442		5,673	88,116	51,980		3,562	55,541	32,574	30,463
	<b>Total</b>	<b>149,426</b>	<b>-</b>	<b>10,283</b>	<b>159,709</b>	<b>91,271</b>	<b>-</b>	<b>6,258</b>	<b>97,529</b>	<b>62,180</b>	<b>58,155</b>

