MSKC & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants

Floor 4, Duckback House
41, Shakespeare Sarani
Kolkata 700017, INDIA

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

To the Board of Directors of Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)

Opinion

We have audited the accompanying Special Purpose Standalone Financial Statements of **Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)** ("the Company"), which comprise the Special Purpose Standalone Balance Sheet as at 31 March 2023, Special Purpose Standalone Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Standalone Statement of Changes in Equity and Special Purpose Standalone Statement of Cash Flows for the year then ended, and notes to the Special Purpose Standalone Financial Statements, including a summary of material accounting policy information. The Special Purpose Standalone Financial Statements have been prepared by the management of the Company and approved by the Board of Directors of the Company in accordance with the basis and purpose as set out in Note 2.1 to the Special Purpose Standalone Financial Statements.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Standalone Financial Statements gives a true and fair view of the state of the affairs of the Company as at 31 March 2023 and of its operations and cash flows of the Company for the year ended 31 March 2023, in accordance with the note 2.1 on basis of accounting.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Standalone 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') ("Code of Ethics"), together with the ethical requirements that are relevant to our audit of the Special Purpose Standalone 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.

Emphasis of matter-Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the Special Purpose Standalone Financial Statements which describe the purpose and basis of its accounting. These Special Purpose Standalone Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the restated financial information of the Company for the year ended 31 March 2023 to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited and BSE Limited, Registrar of Companies, as applicable, in connection with the proposed Initial Public Offering of equity shares ('IPO') of the Company, as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("SEBI ICDR Regulations"), e-mail dated 28 October 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India

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('SEBI Communication') and the Guidance Note on Reports in Company Prospectus (Revised 2019) ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). As a result, these Special Purpose Standalone Financial Statements may not be suitable for any other purpose.

Our report is intended solely for the purpose specified above. This should not be distributed to or used by other parties. M S K C & Associates LLP (formerly known as M S K C & Associates) shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
Our opinion is not modified in respect of the above matter.

Responsibilities of Management and Those charged with Governance for the Special Purpose Standalone Financial Statements

The Board of Directors is responsible for the preparation of the Special Purpose Standalone Financial Statements in accordance with note 2.1 on basis of accounting, this includes design, implementation and maintenance of such internal control relevant to the preparation of the Special Purpose Standalone Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Special Purpose Standalone Financial Statements, the management and Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone 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.

We give in "Annexure" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Standalone Financial Statements.

Other Matter

1. The Statutory Financial Statements of the Company for the year ended 31 March 2023 prepared in accordance with the Accounting Standards specified under Section 133 of the Act, read together with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, were audited by predecessor auditor M S K A & Associates whose report dated 29 September 2023 expressed an unmodified opinion.

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2. These Special Purpose Standalone Financial Statements for the year ended 31 March 2023 has been prepared by the management of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Standalone Financial Statements and approved by the Board of Directors of the Company solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Standalone Financial Statements.

Our opinion is not modified in respect of the above matters.

For M S K C & Associates LLP ***(Formerly known as M S K C & Associates)***
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Dipak Jaiswal
Partner
Membership No. 063682
UDIN: 25063682BMOTNO9001

Place: Kolkata
Date: 28 March 2025

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS OF FUSION CX LIMITED (FORMERLY FUSION CX PRIVATE LIMITED; FORMERLY XPLORE-TECH SERVICES PRIVATE LIMITED)

Auditor's Responsibilities for the Audit of the Special Purpose Standalone 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 Special Purpose Standalone 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 expressing our opinion on whether the Company has internal financial controls with reference to Special Purpose Standalone Financial Statements 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 the management of the Company.

- 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 Special Purpose Standalone Financial Statements, including the disclosures and whether the Special Purpose Standalone 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.

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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, actions taken to eliminate threats or safeguards applied.

For M S K C & Associates LLP (Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

MSKC & ASSOCIATES LLP
Chartered Accountants

Dipak Jaiswal
Partner
Membership No. 063682
UDIN: 25063682BMOTNO9001

Place: Kolkata
Date: 28 March 2025

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Special Purpose Standalone Balance Sheet as at 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2023
Assets		
Non-current assets		
Property, plant and equipment	6	2,088.92
Right-of-use assets	7(a)	986.28
Capital work-in-progress	8	472.53
Other intangible assets	9	1,195.92
Intangible assets under development	10	-
Financial assets		
Investments	11	1,658.68
Loans	12	1,275.50
Other financial assets	13	916.74
Deferred tax assets (net)	36	582.13
Non-current tax assets (net)	14	1,011.14
Other non-current assets	15	173.85
Total non-current assets		**10,361.69**
Current assets		
Financial assets		
Trade receivables	16	9,287.90
Cash and cash equivalents	17	370.35
Bank balances other than cash and cash equivalents	18	132.54
Loans	19	41.27
Other financial assets	20	207.67
Other current assets	21	583.93
Total current assets		**10,623.66**
Total assets		**20,985.35**
Equity and liabilities		
Equity		
Equity share capital	22	1,260.12
Other equity	23	3,536.96
Total equity		**4,797.08**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	24(a)	1,499.42
Lease liabilities	7(b)	447.03
Provisions	25	402.96
Total non-current liabilities		**2,349.41**
Current liabilities		
Financial liabilities		
Borrowings	24(b)	7,422.88
Lease liabilities	7(b)	266.85
Trade payables	26	
Total outstanding dues of micro enterprises and small enterprises		57.61
Total outstanding dues other than above micro enterprises and small enterprises		2,789.69
Other financial liabilities	27	1,511.92
Other current liabilities	28	1,676.18
Provisions	29	113.73
Total current liabilities		**13,838.86**
Total liabilities		**16,188.27**
Total equity and liabilities		**20,985.35**

The accompanying notes are an integral part of the special purpose standalone financial statements

As per our report of even date
For M S K C & Associates LLP (formerly knowm as M S K C & Associates)
Chartered Accountants
Firm's Registration No: 001595S/S000168

Dipak Jaiswal
Partner
Membership No: 063682

Place: Kolkata
Date: 28 March 2025

For and on behalf of the Board of Directors of
Fusion CX Limited
(Formerly Fusion CX Private Limited;
formerly Xplore-Tech Services Private Limited)
CIN No.: U72900WB2004PTC097921

Pankaj Dhanuka
Director
DIN: 00569195

Kishore Saraogi
Director
DIN: 00623022

Barun Singh
Company Secretary
Membership No: A32887

Amit Soni
Chief Financial Officer

Place: Kolkata
Date: 28 March 2025

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023
Income		
Revenue from operations	30	34,228.03
Other income	31	410.22
Total income		**34,638.25**
Expenses		
Employee benefits expense	32	21,994.32
Finance costs	33	839.80
Depreciation and amortisation expense	34	1,179.63
Other expenses	35	9,492.05
Total expenses		**33,505.80**
Profit before tax		**1,132.45**
Income tax expense	36	
Current tax		23.03
Tax pertaining to earlier years		60.56
Deferred tax		77.85
Total tax expense		**161.44**
Profit for the year		**971.01**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement gain of net defined benefit plan	39	0.53
Income tax effect on above	36	(0.13)
Other comprehensive income for the year, net of tax		**0.40**
Total comprehensive income for the year		**971.41**
Earnings per equity share of INR 1 each	37	
Basic and diluted		0.77

The accompanying notes are an integral part of the special purpose standalone financial statements

As per our report of even date
For M S K C & Associates LLP (formerly knowm as M S K C & Associates)
Chartered Accountants
Firm's Registration No: 001595S/S000168

MSKC & ASSOCIATES LLP * Chartered Accountants *

Dipak Jaiswal
Partner
Membership No: 063682

Place: Kolkata
Date: 28 March 2025

For and on behalf of the Board of Directors of
Fusion CX Limited
(Formerly Fusion CX Private Limited;
formerly Xplore-Tech Services Private Limited)
CIN No.: U72900WB2004PTC097921

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Director
DIN: 00569195

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Director
DIN: 00623022

Barun Singh
Company Secretary
Membership No: A32887

Amit Soni
Chief Financial Officer

Place: Kolkata
Date: 28 March 2025

FUSION CX LIMITED Plot-Y/9, Block-EP, Sector-V, Saltlake Kol-91

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Special Purpose Standalone Statement of Cash Flows for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023
Cash flow from operating activities	
Profit before tax	1,132.45
Adjustments for:	
Depreciation and amortisation expense	1,179.63
Finance costs	839.80
Interest income on:	
- Bank deposits	(27.69)
- Income tax refund	(21.13)
- Loan to related parties	(82.51)
- Security deposit	(39.05)
Dividend income	(34.70)
Corporate guarantee fees	(4.47)
Provision for credit allowances on trade receivables	(20.07)
Bad debts written off	78.02
Other receivables written off	0.19
Liabilities/provisions no longer required written back	(6.48)
Unrealised foreign exchange gain on foreign currency transactions and translation	(125.25)
Operating profit before working capital changes	**2,868.74**
Changes in operating assets and liabilities	
Adjustments for increase in operating assets	
Trade receivables	(3,026.02)
Other financial assets	(29.00)
Other current assets	(354.10)
Adjustments for increase/(decrease) in operating liabilities	
Trade payables	1,285.53
Other financial liabilities	(583.78)
Other liabilities	1,127.82
Provisions	28.52
Cash generated from operations	**1,317.71**
Income tax paid (net)	(460.92)
Net cash flows generated from operating activities (A)	**856.79**
Cash flows from investing activities	
Purchase of property, plant & equipment and other intangible assets (including intangible assets under development, capital work-in-progress, capital advances and capital creditors)	(1,376.74)
Proceeds from sale of property, plant and equipment	2.72
Fixed deposits with banks (net)	639.01
Loan given (net)	(376.74)
Guarantee fees received	4.47
Interest received	71.81
Net cash flows used in investing activities (B)	**(1,035.47)**
Cash flow from financing activities	
Dividend paid	(156.50)
Proceeds from long-term borrowings	863.06
Repayment of long-term borrowings	(1,246.71)
Movement in short-term borrowings (net)	1,956.09
Payment of lease obligations	(348.04)
Interest paid	(803.95)
Net cash flows generated from financing activities (C)	**263.95**
Net increase in cash and cash equivalents (A+B+C)	**85.27**
Cash and cash equivalents at the beginning of the year	285.08
Cash and cash equivalents at the end of the year	**370.35**

Cash and cash equivalents comprises (refer note 17):

	For the year ended 31 March 2023
Balances with banks	
- in current accounts	370.35
Balances as per Statement of Cash Flows	**370.35**

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Special Purpose Standalone Statement of Cash Flows for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

Notes:
(i) The above Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), "Statement of Cash Flows" notified under Section 133 of the Companies Act, 2013.

(ii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	For the year ended 31 March 2023
Opening balance	8,246.73
Cash flows:	
Proceeds from long-term borrowings	863.06
Repayment of long-term borrowings	(1,246.71)
Repayment of borrowings	1,956.09
Payment on leases	(348.04)
Non cash flows:	
Additions to lease liabilities	208.12
Unrealised exchange gain	(110.94)
Interest expenses on leases	67.87
Closing balance	**9,636.18**

The accompanying notes are an integral part of the special purpose standalone financial statements

As per our report of even date
For M S K C & Associates LLP (formerly knowm as M S K C & Associates)
Chartered Accountants
Firm's Registration No: 001595S/S000168

Dipak Jaiswal
Partner
Membership No: 063682

Place: Kolkata
Date: 28 March 2025

For and on behalf of the Board of Directors of
Fusion CX Limited
(Formerly Fusion CX Private Limited;
formerly Xplore-Tech Services Private Limited)
CIN No.: U72900WB2004PTC097921

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Director
DIN: 00569195

Kishore Saraogi
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DIN: 00623022

Barun Singh
Company Secretary
Membership No: A32887

Amit Soni
Chief Financial Officer

Place: Kolkata
Date: 28 March 2025

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Special Purpose Standalone Statement of Changes in Equity for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

(A) Equity share capital (refer note 22)

Particulars	No. of shares	Amount
Balance as at 1 April 2022	**31,50,310**	**315.03**
Sub-division of equity shares	2,83,52,790	-
Issued during the year	9,45,09,300	945.09
Balance as at 31 March 2023	**12,60,12,400**	**1,260.12**

(B) Other equity (refer note 23)

Particulars	Reserve and surplus				Total
	Retained earnings	Securities premium	Capital reserve on merger	General reserve	
Balance as at 1 April 2022	**2,546.89**	**2.25**	**3.22**	**1,115.80**	**3,668.16**
Profit for the year	971.01	-	-	-	971.01
Other comprehensive income for the year	0.40	-	-	-	0.40
Total comprehensive income	**971.41**	-	-	-	**971.41**
Adjustment due to issue of bonus shares (refer note 23)	(945.09)	-	-	-	(945.09)
Dividend	(157.52)	-	-	-	(157.52)
Balance as at 31 March 2023	**2,415.69**	**2.25**	**3.22**	**1,115.80**	**3,536.96**

The accompanying notes are an integral part of the special purpose standalone financial statements

As per our report of even date
For M S K C & Associates LLP (formerly knowm as M S K C & Associates)
Chartered Accountants
Firm's Registration No: 001595S/S000168

Dipak Jaiswal
Partner
Membership No: 063682

MSKC & ASSOCIATES LLP * Chartered Accountants

Place: Kolkata
Date: 28 March 2025

For and on behalf of the Board of Directors of
Fusion CX Limited
(Formerly Fusion CX Private Limited;
formerly Xplore-Tech Services Private Limited)
CIN No.: U72900WB2004PTC097921

Pankaj Dhanuka
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DIN: 00569195

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Director
DIN: 00623022

Barun Singh
Company Secretary
Membership No: A32887

Amit Soni
Chief Financial Officer

Place: Kolkata
Date: 28 March 2025

FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake KOL-91

1 Corporate information

Fusion CX Limited (formerly Fusion CX Private Limited) (formerly known as Xplore-Tech Services Private Limited) ("the Company") was incorporated under the provision of the Companies Act, 1956 in the year 2004 with its headquarters located in Kolkata, India. The Company is engaged in providing business process management services with a global presence. The Company has client base in several countries including US, Canada and UK.

The Board of Directors of the Company, at its meeting held on April 20, 2023, had considered and approved the merger of its wholly owned subsidiary, Competent Synergies Private Limited ("CSPL") (engaged in business process outsourcing, knowledge process outsourcing, legal process outsourcing, develop, import, export technology solutions) into Fusion CX Limited (formerly Fusion CX Private Limited) via a scheme of amalgamation ("the Scheme"). The Scheme received approval from the Regional Director (In-Charge) East Region, Kolkata, through an order dated February 01, 2024 with an appointed date for the merger being April 1, 2023. In accordance with Ind AS 103: "Business Combinations", for common control transactions, the merger has been accounted for using the pooling of interest method. As a result, the figures of financial year 2022-2023 has been restated to include the impact of the merger.

The Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company and consequently the name of the Company has changed to "Fusion CX Limited" pursuant to a fresh certificate of incorporation issued by ROC on 12 March 2025.

2 Material accounting policies

2.1 Basis of preparation

(a) Statement of Compliance with Indian Accounting Standards (Ind AS)

The Special Purpose Standalone Financial Statements of the Company comprises the Special Purpose Standalone Balance Sheet as at 31 March 2022, the Special Purpose Standalone Statement of Profit and Loss including Other Comprehensive Income, the Special Purpose Standalone Statement of Cash Flows, the Special Purpose Standalone Statement of Changes in Equity and Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2022 and summary of material accounting policies and explanatory notes (collectively referred as the 'Special Purpose Standalone Financial Statements') that have been prepared by the management of the company for the purpose of preparation of the restated consolidated financial information to be included in the Draft Red Herring Prospectus (the "DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with the proposed Initial Public Offer of equity shares ("IPO") by the Company.

The Special Purpose Standalone Financial Statements have been prepared by the management of the Company to comply with the requirements of:
(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations");
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note"); and
(d) Email dated 28 October 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India ("SEBI Communication").
These Special Purpose Standalone Financial Statements of the Company as at and for the year ended 31 March 2022, are prepared after taking into the consideration the requirements of the SEBI Communication were approved for issue in accordance with the resolution passed by the Board of Directors at their meeting held on 28 March 2025.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company voluntarily adopted 31 March 2024, as reporting date for first time adoption of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and consequently 1 April 2022 as the transition date for preparation of its statutory financial statements for the year ended 31 March 2024. Hence, the financial statements for the year ended 31 March 2024, were the first financials statements, prepared in accordance with Ind AS. Up to the financial year ended 31 March 2023, the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP"). Accordingly, this Special Purpose Standalone Financial Statements are prepared to comply with SEBI Communication. Further, these Special Purpose Standalone Financial Statements are not the statutory financial statements under the Act.

The Special purpose standalone financial statements as at and for the year ended 31 March 2022 has been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended 31 March 2024 pursuant to the SEBI Communication.

This Special Purpose Standalone Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to proposed IPO. Hence this Special Purpose Standalone Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information. Accordingly, no comparative figures are also presented in these Special Purpose Standalone Financial Statements.

(b) Basis of measurement

These special purpose standalone financial statements have been prepared on accrual basis and under historical cost convention, except for the following:
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- Employees defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation.

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating 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.

(d) Presentation currency and rounding off

These special purpose standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to nearest lakhs, unless otherwise indicated.

(e) Going Concern

The Company has prepared the special purpose standalone financial statements on the basis that it will continue to operate as a going concern.

(f) Use of estimates

The preparation of these special purpose standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date.

The estimates and assumptions used in the accompanying special purpose standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the special purpose standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for details on estimates and judgments.

MSKC & ASSOCIATES LLP Chartered Accountants

FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

2.2 Summary of material accounting policies

(a) Property, plant, and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance of revenue nature are charged to Statement of Profit and Loss during the reporting year in which they are incurred.

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment. If the reasons for previously recognised impairment losses no longer exists, such impairment losses are reversed and recognised in income. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place during the preceding periods.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, plant and equipment when completed and ready for intended use. Advances given towards acquisition/construction of Property, plant and equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation method, estimated useful lives and residual value

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation on sale/disposal of property plant and equipment is provided up to the date preceding the date of sale/disposal as the case may be. Gains and losses on disposals are determined by comparing the sale proceeds with carrying amount and accordingly recorded in the Statement of Profit and Loss during the reporting year in which they are sold/disposed.

The estimated useful lives are as mentioned below

Asset	Useful life in years
Computer	3
Furniture and fixtures	10
Office equipment	5
Server	3 - 6
Plant and equipment	15
Leasehold improvement	3
Vehicle	8
Electrical installations	10

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of all the intangible assets of the Company are assessed as finite.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Particulars	Useful life in years
Computer Software	3

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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2.2 Summary of material accounting policies (cont'd)

(c) Leases

Identifying leases

The Company assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease contracts entered by the Company majorly pertains for premises and equipments taken on lease to conduct its business in the ordinary course.

Company as a lessee

On 1 April, 2022, the Company had adopted Ind AS 116 "Leases" using the modified retrospective approach by applying the standard to all leases existing at the date of initial application. The Company also elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option ("short-term leases") and lease contracts for which the underlying asset is of low value ("low value assets"). The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.2(d) "Impairment of non-financial assets".

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(d) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses are recognised in the Statement of profit and loss.

(e) Investments in subsidiaries

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange of another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(f) Classification in the financial statements

Investments that are realizable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

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2.2 Summary of material accounting policies (cont'd)

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

(h) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

(i) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus the transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset measured not at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company does not hold any Financial assets classified at fair value through other comprehensive income; or at fair value through profit or loss. Accordingly, the Company holds only financial assets measured at amortised cost , therefore accounting policy of financial assets classified at amortised cost stated below:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Trade receivables:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers". The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

b) Other financial assets:

For recognition of impairment loss on 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 subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Statement of Profit and Loss. For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognised only when:
a) the contractual rights to receive cash flows from the financial asset is transferred or expired.
b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognized only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. 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.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

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2.2 Summary of material accounting policies (cont'd)

(j) Financial liabilities and equity instruments

Classification as debt or equity

An instruments issued by a 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 in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities being loans, borrowings and payables are recognised net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

The Company does not owe any financial liability which is either classified or designated at fair value though profit or loss. Accordingly, the Company holds only financial liabilities designated at amortised cost , therefore accounting policy of financial liabilities classified at amortised cost stated below:

Financial liabilities at amortised cost

All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 recognized in the Statement of Profit and Loss as finance costs.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

(k) Fair value measurement

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value.

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 accessible to the Company.

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

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized 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 techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(l) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probability will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recorded nor disclosed in the standalone financial statements.

(m) Revenue from contract with customers

Revenue is recognized to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from services

The Company's revenue from Business Process Management is recognized on an accrual basis in terms of agreement with the customer(s),when there is no uncertainty as to the measurement and collectability of consideration. In case of uncertainty, revenue recognition is postponed until the same is resolved. Revenue is recognized on satisfaction of performance obligation 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. Revenue is measured based on the transaction price (which is the consideration, adjusted to discounts, incentives and returns, etc., if any) that is allocated to that performance obligation. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The revenue is recognized net of Goods and service tax.

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2.2 Summary of material accounting policies (cont'd)

Other Income

Interest Income from Bank Deposits

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.

Dividend Income

Dividend is recognized when the Company's right to receive dividend is established.

(n) Earning per share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to equity holders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards Government administered provident fund scheme and Employees' State Insurance ('ESI') scheme. Obligations for contributions to defined contribution plans are expensed as an employee benefits expense in statement of profit and loss in the period in which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. They are included in retained earnings in the Statement of changes in equity and in the balance sheet. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absence - Encashable

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the discount rates for Government Bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(p) Taxes

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit (Wherever applicable).

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

(q) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

(r) Segment Reporting

The Company's business is providing business process management services, in the territory outside of India, to entities that outsource their business processes and as such, in the opinion of the Management there being a single business segment. The analysis of the geographical segment is based on areas in which customers of the Company are located.

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3 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment and intangible assets

As described in the material accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

(b) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the standalone financial statements.

(c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against Company as it is not possible to predict the outcome of pending matters with accuracy.

(e) Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

(f) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(g) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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3.1 Changes in accounting policy and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company has assessed these amendments and the impact is not material.

(a) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the special purpose standalone financial statements.

(b) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are not expected to have a material impact on these special purpose standalone financial statements.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 Income taxes

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on date, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

4 First-time adoption of Ind-AS

For periods up to and including the year ended 31 March 2023, the Company has prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous-GAAP or Indian-GAAP).

For periods up to and including the year ended 31 March 2023, the Company has prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous-GAAP or Indian-GAAP).

The standalone financial statements, for the year ended 31 March 2024, were the first statutory standalone financial statements of the Company prepared in accordance with Ind AS. In preparing the first Ind AS standalone financial statements, the Company's Ind AS opening balance sheet was prepared as at 1 April 2022, the Company's Statutory date of transition to Ind AS.

The Special Purpose standalone financial statements as at and for the year ended 31 March 2023 and 31 March 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosure followed as at and for the year ended 31 March 2024 pursuant to the SEBI

This note below explains exemptions availed by the Company in restating its Previous GAAP standalone financial statements and the GAAP adjustments which includes:

a) Reconciliation of Equity and Total Comprehensive Income and Cash flows of Special Purpose Standalone Financial Statements for year ended 31 March 2023 with the Audited Indian GAAP standalone financial statements for the year ended 31 March 2023.

b) Reconciliation of Equity for 01 April 2022 (Opening balance sheet date for Special Purpose Standalone Financial Statements) with the Indian GAAP Audited Standalone Financial Statements for the year ended 31 March 2022.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

(All amount are in INR lakhs, unless otherwise stated)

5 First-time adoption of Ind-AS

A. Transition to Ind AS - Reconciliations between Indian GAAP and Ind AS

The following reconciliations provide a quantification of the effect of differences arising from the transition from Previous GAAP to Ind AS required under Ind AS 101:

(a) Reconciliation of total equity as at 31 March 2023;

(b) Reconciliation of total comprehensive income for the year ended 31 March 2023; and

(c) Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2023.

(a) Reconciliation of total equity as at 31 March 2023

Particulars	Notes to first-time adoption	As at 31 March 2023
Equity share capital		1,260.12
Capital reserve		3.22
General reserve		1,115.80
Securities premium		2.25
Retained earnings		2,947.09
Shareholder's equity as per Indian GAAP (A)		**5,328.48**
Add/(less): adjustments		
Fair valuation of security deposit	(i)	39.05
Impact on account of adoption of Ind AS 116	(ii)	(48.26)
Investment in preference shares	(iii)	(844.69)
Impairment allowance for expected credit losses	(iv)	(1,044.80)
Deferred tax impact on Ind AS Adjustments	(vi)	479.31
Impact on account of adoption of IND AS 103 Appendix C	(vii)	888.40
Others		(0.41)
Total Ind AS adjustments (B)		**(531.40)**
Equity as per Ind AS (A-B)		**4,797.08**

(b) Reconciliation of total comprehensive income for the year ended 31 March 2023

Particulars	Notes to first-time adoption	For the year ended 31 March 2023
Net profit as per Indian GAAP (C)		**463.77**
Add/(less): adjustments		
Fair valuation of security deposit	(i)	39.05
Impact on account of adoption of Ind AS 116	(ii)	(48.26)
Investment in preference shares	(iii)	34.70
Impairment allowance for expected credit losses	(iv)	20.07
Remeasurement loss of net defined benefit plan	(v)	(0.53)
Deferred tax impact on Ind AS Adjustments	(vi)	(62.68)
Impact on account of adoption of IND AS 103 Appendix C	(vii)	524.78
Total Ind AS adjustments (D)		**507.11**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement loss of net defined benefit plan		0.53
Total comprehensive income as per Ind AS (C-D)		**971.41**

(c) There are no material differences in the statement of cash flows for the year ended 31 March 2023 as a result of Ind AS adoption.

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B. Notes to first-time adoption

(i) Security deposit

Under previous GAAP, interest free lease security deposits are recorded at it's transaction value. Under Ind AS 109 "Financial Instruments", all financial assets are required to be initially recognized at fair value. The Company has fair valued security deposit under Ind AS at its initial recognition. Difference between the fair value and transaction value of the security deposit has been recognized as prepayment lease rental (part of ROU asset) which has been amortised over it's lease term as rent expense grouped under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income grouped under 'other income'.

(ii) Impact of Ind AS 116 -Lease accounting

Under previous GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS 116, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company applied the modified retrospective approach and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS. Right-of-use assets were measured at the amount equal to the lease liabilities.

(iii) Fair valuation of investment in preference shares

Under previous GAAP, investment in preference share were recognised at cost i.e transaction value. Under Ind AS 109 "Financial Instruments", all financial assets are required to be initially recognized at fair value. The Company has fair valued investment under Ind AS at its initial recognition. Difference between the fair value and transaction value in retained earnings. Subsequently, the discounted value of the invesment is increased over the term by recognising the notional interest income grouped under 'other income'.

(iv) Impairment allowance for expected credit losses

Under previous GAAP, the Company has created provision for impairment of receivables based on the incurred loss model. Under Ind AS, impairment loss has been determined as per Expected Credit Loss (ECL) model. The difference between the provision amount as per previous GAAP and Ind AS - ECL is recognized as retained earnings on date of transition and subsequently in the Statement of Profit and Loss.

(v) Remeasurement gain/(loss) of net defined benefit plan

Under previous GAAP, the Company recognised actuarial gains and losses in the Statement of Profit and Loss. Under Ind AS, all actuarial gains and losses are recognised in the other comprehensive income. Further to the above, the deferred tax impact on above transaction has also been regrouped from Statement of Profit and Loss to other comprehensive income as per guidance under Ind AS 12 'Income taxes'.

(vi) Deferred tax

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

(vii) Impact on account of adoption of IND AS 103 Appendix C

Fusion CX Limited (formerly Fusion CX Private Limited) and Competent Synergies Private Limited are under the common control of the group and as a result, the transaction has been accounted in accordance with 'Pooling of Interest Method' laid down by Appendix C (Business Combinations of Entities under Common Control) of Indian Accounting Standard 103 9 Ind AS 103), notified under the Companies' Act, 2013.

As required under Ind AS 103, the current accounting period presented in the financial statements of the Company and accompanying notes have been prepared by including the accounting effects of the acquisition of the business.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector V, Saltlake Kol-91

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

6 Property, plant and equipment

Particulars	Leasehold land	Plant and equipment	Office equipment	Electrical installations	Computers	Servers	Furniture and fixture	Leasehold Improvements	Vehicles	Total
Gross carrying amount (deemed cost)										
Balance as at 1 April 2022 (refer note (b) below)	50.51	12.75	33.40	11.68	272.91	0.54	98.35	2.50	20.66	503.30
Acqusition through business combination (deemed cost) refer note (c) below	-	-	577.54	-	421.70	-	124.08	-	3.56	1,126.88
Additions	-	-	211.07	22.77	888.89	1.96	42.46	-	5.23	1,172.38
Disposals	-	-	1.19	-	1.53	-	-	-	-	2.72
Balance as at 31 March 2023	**50.51**	**12.75**	**820.82**	**34.45**	**1,581.97**	**2.50**	**264.89**	**2.50**	**29.45**	**2,799.84**
Accumulated depreciation										
Balance as at 1 April 2022 (refer note (b) below)	-	-	-	-	-	-	-	-	-	-
Charge during the year	0.51	1.40	275.27	2.10	383.48	0.06	43.07	0.65	4.38	710.92
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	**0.51**	**1.40**	**275.27**	**2.10**	**383.48**	**0.06**	**43.07**	**0.65**	**4.38**	**710.92**
Net carrying amount as at 31 March 2023	**50.00**	**11.35**	**545.55**	**32.35**	**1,198.49**	**2.44**	**221.82**	**1.85**	**25.07**	**2,088.92**

Notes:

(a) For charge created on property, plant and equipments of the Company, refer note 24.

(b) On transition to Ind AS (i.e. 1 April 2022), the Company had elected to continue with the net carrying value of all property, plant and equipment measured as per the previous GAAP and use that net carrying value as the deemed cost of property, plant and equipment.

Particulars	Leasehold land	Plant and equipment	Office equipment	Electrical installations	Computers	Servers	Furniture and fixture	Leasehold Improvements	Vehicles	Total
Gross block as on 1 April 2022	58.98	163.35	152.67	109.01	1,201.99	218.98	453.22	37.56	52.69	2,448.45
Accumulated depreciation upto 1 April 2022	8.47	150.60	119.27	97.33	929.08	218.44	354.87	35.06	32.03	1,945.15
Deemed cost as on 1 April 2022	**50.51**	**12.75**	**33.40**	**11.68**	**272.91**	**0.54**	**98.35**	**2.50**	**20.66**	**503.30**

(c) Acquisitions through business combination (refer note 1)

Particulars	Furniture and fixture	Vehicles	Office equipment	Computers	Total
Gross block as on 1 April 2022	419.63	9.30	1,497.14	1,642.57	3,568.64
Accumulated depreciation upto 1 April 2022	295.55	5.74	919.60	1,220.87	2,441.76
Deemed cost as on 1 April 2022	**124.08**	**3.56**	**577.54**	**421.70**	**1,126.88**

(d) Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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7 Right-of-use assets and lease liabilities

The Company has leasing arrangements for a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions, for property leases the periodic rent is fixed over the lease term. These leases have terms ranging from two to ten years. The Company applies the recognition exemptions relating to short-term leases and lease of low-value assets for these leases.

The weighted average incremental borrowing rate applied to lease liabilities as at 31 March 2023 is 10%.

(a) Right-of-use assets

Particulars	Buildings
Gross carrying amount	
Balance as at 1 April 2022	1,099.60
Additions	215.12
Balance as at 31 March 2023	**1,314.72**
Accumulated depreciation	
Balance as at 1 April 2022	-
Charge for the year	328.44
Balance as at 31 March 2023	**328.44**
Net carrying amount as at 31 March 2023	**986.28**

(b) Lease liabilities

Particulars	As at 31 March 2023
Balance of lease liabilities at the beginning of the year	
On adoption of Ind AS 116	785.93
Add: Additions during the year	208.12
Add: Interest on lease liabilities	67.87
Less: Lease payments	(348.04)
Balance of lease liabilities at the end of the year	**713.88**
Current portion of lease liabilities	266.85
Non-current portion of lease liabilities	447.03

(c) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Refer note	For the year ended 31 March 2023
Interest expense (included in finance costs)	33	67.87
Amotisation charge on right-of-use assets	34	328.44
Expense relating to short-term leases, variable payment, etc. not included in lease liabilities	35	1,106.76

(d) Amounts recognised in the statement of cash flows

The statement of cash flows show the following amounts relating to leases:

Particulars	For the year ended 31 March 2023
Payment of lease liabilities	(348.04)

Refer note 40 for related party transaction pertaining to right-of-use asset and lease liability.
Refer note 43 for disclosure on contractual maturities of lease liability

8 Capital work-in-progress

Particulars	As at 31 March 2023
Opening balance	163.10
Add: Addition during the year	309.43
Closing balance	**472.53**

(a) Ageing of capital work-in-progress

(i) Projects in progress	Amounts in capital work-in-progress for				
Particulars	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
31 March 2023	309.43	148.17	14.93	-	472.53

(b) There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been suspended.
(c) Capital work in progress includes borrowing cost of INR 21.89 lakhs. Borrowing cost is capitalized @9.7% p.a.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

9 Other intangible assets

Particulars	Computer software	Other intangibles	Total
Gross carrying amount (deemed cost)			
Balance as at 1 April 2022 (refer note (a) below)	114.32	-	114.32
Acquisition through business combination (refer note (b) below)	-	690.68	690.68
Additions	0.31	530.88	531.19
Balance as at 31 March 2023	**114.63**	**1,221.56**	**1,336.19**
Accumulated amortisation			
Balance as at 1 April 2022 (refer note (a) below)	-	-	-
Charge during the year	43.57	96.70	140.27
Balance as at 31 March 2023	**43.57**	**96.70**	**140.27**
Net carrying amount as at 31 March 2023	**71.06**	**1,124.86**	**1,195.92**

Notes:

(a) The Company has availed the deemed cost exemption as per Ind AS 101 in relation to intangible assets as on the date of transition i.e. 1 April 2022 and hence the net block carrying amount under previous GAAP has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortization on 1 April 2022:

Particulars	Computer software	Other intangibles	Total
Gross block as on 1 April 2022	310.03	-	310.03
Accumulated amortization upto 1 April 2022	195.71	-	195.71
Deemed cost as on 1 April 2022	**114.32**	-	**114.32**

(b) Acquisitions through business combination (refer note 1)

Particulars	Computer software	Other intangibles	Total
Gross block as on 1 April 2022	-	729.76	729.76
Accumulated amortization as on 1 April 2022	-	39.08	39.08
Deemed cost as on 1 April 2022	-	**690.68**	**690.68**

10 Intangible assets under development

Particulars	As at 31 March 2023
Opening balance	530.88
Add: Addition during the year	-
Less: Capitalisation during the year	530.88
Closing balance	-

(a) Ageing of intangible assets under development

(i) Projects in progress	Amounts in capital work-in-progress for				
Particulars	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
31 March 2023	-	-	-	-	-

(ii) There are no intangible asset under development that are overdue or have exceeded their original plan/budget.

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11 Investments (non-current)

Particulars	As at 31 March 2023
Investment in subsidiaries at cost (unquoted)	
150,100 shares Fusion BPO Services Limited (face value CAD $ 1 each)	60.17
2,585,000 shares O'Currance Inc (face value of USD 1 each)	1,288.20
Other investments (at amortised cost)	
Others - preference shares (fully paid up) (unquoted)	
1% cumulative preference shares	
550,000 shares Window Technologies Private Limited (face value INR 10 each)	310.31
Total	**1,658.68**

Aggregate amount of unquoted investments before impairment	**1,658.68**
Aggregate amount of impairment in value of investments	**-**

12 Loans (non-current)

Particulars	Terms of repayment	Interest rate	As at 31 March 2023
Unsecured, considered good			
Loans to related parties (refer note 40)	3 years	8.00%	1,275.50
Total			**1,275.50**

Loans due from related parties:	
Step down subsidiary company	50.57
Other companies in which relative of the directors are members	1,224.93
	1,275.50

Notes:

a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.
b) The fair value of current loans are not materially different from the carrying value presented.
c) All the above loans have been given for business purposes.
d) Break up of security details:

Particulars	As at 31 March 2023
Loans considered good - secured	-
Loans considered good - unsecured	1,224.93
Loans which have significant increase in credit risk	-
Loans - credit impaired	-
Total	**1,224.93**
Loss allowance	-
Total	**1,224.93**

13 Other financial assets (non-current)

Particulars	As at 31 March 2023
Unsecured, considered good	
Security deposits (refer note (a) below)*	796.56
Bank deposit with maturity for more than 12 months (refer note (b) below)	120.18
Total	**916.74**

Notes:

(a) Security deposits includes amount of INR 329.14 lakhs paid to Windows Technologies Private Limited against property taken on lease, situated at Plot Y9, Block EP, Sector V, Salt Lake, Kolkata, 700091.
(b) Refer note 24 for charge created on bank deposits made by the Company.
* Refer note 40 for related party balances.

14 Tax assets (net)

Non-current tax assets (net)

Particulars	As at 31 March 2023
Advance tax and tax deducted at sources (net of provision)	1,011.14
Total	**1,011.14**

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Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
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(All amount are in INR lakhs, unless otherwise stated)

15 Other non-current assets

Particulars	As at 31 March 2023
Capital advances	1.35
Prepaid expenses	172.50
Total	**173.85**

16 Trade receivables

Particulars	As at 31 March 2023
Trade receivables considered good - secured	-
Trade receivables considered good - unsecured	9,287.90
Trade receivables - credit impaired	1,067.22
Trade receivables which have significant increase in credit risk	-
Less: Allowance for expected credit loss	(1,067.22)
Total	**9,287.90**
Further classified as:	
Receivable from related parties (refer note 40)	985.62
Receivable from others (net)	8,302.28
Total	**9,287.90**

Refer note 43 for information about the Company's exposure to financial risks and fair values.

31 March 2023	Current						
	Unbilled dues	Outstanding for following periods from due date of invoice					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
- considered good	2,981.48	5,997.72	472.64	648.40	3.06	-	10,103.30
- credit impaired	-	-	-	-	-	88.44	88.44
Disputed trade receivables							
- considered good	-	104.66	41.17	7.88	-	-	153.71
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	9.67	-	9.67
Subtotal	**2,981.48**	**6,102.38**	**513.81**	**656.28**	**12.73**	**88.44**	**10,355.12**
Less: Allowance for expected credit loss	-	677.46	6.60	361.56	3.65	17.95	1,067.22
Total	**2,981.48**	**5,424.92**	**507.21**	**294.72**	**9.08**	**70.49**	**9,287.90**

17 Cash and cash equivalents

Particulars	As at 31 March 2023
Balances with banks	
In current accounts	363.79
Deposits with orignal maturity of less than 3 months	6.56
Total	**370.35**

18 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023
Bank deposits having original maturity of more than 3 months but remaining maturity of less than 12 months (refer note below)	132.54
Total	**132.54**

Note: Refer note 24 for charge created on deposits made by the Company.

19 Loans (current)

Particulars	As at 31 March 2023
Unsecured, considered good	
Loans to employees	41.27
Total	**41.27**

Notes:

a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.
b) The fair value of current loans are not materially different from the carrying value presented.
c) Break up of security details:

Particulars	As at 31 March 2023
Loans considered good - secured	-
Loans considered good - unsecured	41.27
Loans which have significant increase in credit risk	-
Loans - credit impaired	-
Total	41.27
Loss allowance	-
Total	41.27

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(All amount are in INR lakhs, unless otherwise stated)

20 Other financial assets (current)

Particulars	As at 31 March 2023
Unsecured considered good	
Security deposits	118.44
National apprenticeship promotion scheme recoverable	81.56
Accrued interest	7.67
Total	**207.67**

21 Other current assets

Particulars	As at 31 March 2023
Advance to vendors	54.95
Prepaid expenses	157.61
Other receivables	371.37
Total	**583.93**

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(All amount are in INR lakhs, unless otherwise stated)

22 Equity share capital

Particulars	As at 31 March 2023
Authorised share capital	
Equity shares	
150,000,000 equity share of INR 1 each	1,500.00
	1,500.00
Issued, subscribed and paid up	
Equity shares	
126,012,400 equity share of INR 1 each fully paid	1,260.12
Total	**1,260.12**

(A) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares

Particulars	As at 31 March 2023	
	Number of shares	Amount
Outstanding at the beginning of the year	31,50,310	315.03
Add: Adjusted number of shares on account of sub-division of equity share (refer note below)	2,83,52,790	-
Add: Bonus shares issued during the year	9,45,09,300	945.09
Outstanding at the end of the year	**12,60,12,400**	**1,260.12**

During the year, the management of the Company have sub-divided the authorised share capital from face value of INR 10 each to INR 1 each, consequently the authorised share capital of the Company was increased from 5,000,000 equity shares having face value of INR 10 each, to 50,000,000 shares having face value of INR 1 each. The authorised share capital was then further increased from INR 500 lakhs to INR 1,500 lakhs pursuant to the shareholders' resolution dated 17 June 2022. Further, the Board of Directors of the Company recommended issue of bonus shares in the ratio of three equity shares of INR 1 each for every equity share of INR 1 each of the Company as held by the shareholders as on the record date, which was approved by way of a special resolution by the members of the Company in the extra-ordinary general meeting dated 17 June 2022. Accordingly, the Company has allotted 94,509,300 equity shares to the members of the Company on 13 September 2022.

(B) Rights, preferences and restrictions attached:

The Company has only one class of equity shares having par value of INR 1 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Details of shares held by the holding company

Particulars	As at 31 March 2023
PNS Business Private Limited	
64,289,400 equity shares of INR 1 each, fully paid up	642.89
	642.89

(D) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity shares:

Name of shareholder	As at 31 March 2023	
	No. of shares	% holding
PNS Business Private Limited	6,42,89,400	51.02%
Rasish Consultancy Private Limited	6,08,15,800	48.26%

(E) Details of equity shares held by promoters at the end of the year

Promoter name	As at 31 March 2023		
	No. of shares	% holding	% change during the year
PNS Business Private Limited	6,42,89,400	51.02%	-
Rasish Consultancy Private Limited	6,08,15,800	48.26%	-

(F) No equity shares have been bought back by the Company during the period of five years immediately preceding the current period end. There are no shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date.

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Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

23 Other equity

Particulars	As at 31 March 2023
Retained earnings	2,415.69
Securities premium	2.25
Capital reserve	3.22
General reserve	1,115.80
Total	**3,536.96**

(A) Retained earnings

Particulars	As at 31 March 2023
Opening balance	2,546.89
Add: Profit for the year	971.01
Add: Other comprehensive income for the year	0.40
Less: Adjustment on share capital due to issue of bonus shares [refer note 22 (A)]	(945.09)
Less: Dividend paid	(157.52)
Closing balance	**2,415.69**

(B) Securities premium

Particulars	As at 31 March 2023
Closing balance	2.25
Total	**2.25**

(C) Capital reserve on merger

Particulars	As at 31 March 2023
Closing balance	3.22
Total	**3.22**

(D) General reserve

Particulars	As at 31 March 2023
Closing balance	1,115.80
Total	**1,115.80**

Nature and purpose of other reserves

Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.
Securities premium	Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
Capital reserve	Reserve arised in earlier years.
General reserve	Represents transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

24 Borrowings

(a) Non-current borrowings

Particulars	As at 31 March 2023
Secured	
Term loan from banks (refer details below)	3,145.84
Vehicle loan from banks (refer details below)	11.07
Total	**3,156.91**
Less: Current maturities of long-term borrowings (included in current borrowings)	(1,657.49)
Total	**1,499.42**

(b) Current borrowings

Particulars	As at 31 March 2023
Secured	
Cash credit (refer details below)	5,748.69
Current maturities of long-term borrowings	1,657.49
Short-term loan from banks	16.70
Total	**7,422.88**

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Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

	Nature of security	Terms of repayment and interest
a)	Auto loan from HDFC bank, balance outstanding amounting to INR 11.07 lakhs is secured by way of hypothecation of the vehicles purchased against the said loan.	Repayable in 60 equal monthly instalments of INR 29,363 to INR 40,813. Rate of interest is 7.95% p.a. to 8.85% p.a.
b)	Term loan from RBL bank, balance outstanding amounting to INR 388.85 lakhs is secured by way of exclusive charge on the immovable property located at Paribahan Nagar Complex, Matigara, Siliguri, Darjeeling, West Bengal. Additionally, the same is also personally guaranteed by Mr. Kishore Saraogi and Mr. Pankaj Dhanuka.	Repayable in 20 structured quarterly instalments, after moratorium of 12 months from the first date of availment i.e., from January 2022. Rate of interest is RBL Bank 1 year MCLR plus 0.25% p.a. for all the 3 years. (Loan sanctioned of INR 800 lakhs of which INR 388.85 lakhs has been availed upto 31 March 2023).
c)	Term loan from RBL bank, balance outstanding amounting to INR 385.31 lakhs is secured by way of exclusive Charge by way of hypothecation on all the refurbished assets and IT Assets (IT equipments including data servers, switches, computers, laptops, etc.) procured by utilising these term loans, along with a collateral security on the immovable property located at Paribahan Nagar Complex, Matigara, Siliguri, Darjeeling, West Bengal. Additionally, the same is also personally guaranteed by Mr. Kishore Saraogi and Mr. Pankaj Dhanuka.	Repayable in 36 equal monthly instalments of INR 14.27 lakhs. Rate of interest is RBL Bank 1 year MCLR p.a. for both the years. (Loan sanctioned of INR 500 lakhs of which INR 385.31 lakhs has been availed upto 31 March 2023).
d)	Term loan from RBL bank, balance outstanding amounting to INR 17.60 lakhs is secured by way of exclusive charge by way of hypothecation on all the refurbished assets and IT Assets (IT equipments including data servers, switches, computers, laptops, etc.) procured by utilising these term loans, along with a collateral security on the immovable property located at Paribahan Nagar Complex, Matigara, Siliguri, Darjeeling, West Bengal. Additionally, the same is also personally guaranteed by Mr. Kishore Saraogi and Mr. Pankaj Dhanuka.	Repayable in 36 equal monthly instalments of INR 4.25 lakhs. Rate of interest is Repo rate + 3.30% p.a. for both the years. (Loan sanctioned of INR 500 lakhs of which NR 17.60 lakhs has been availed upto 31 March 2023).
e)	Foreign currency term loan from HDFC bank, balance outstanding amounting to INR 1,680.18 lakhs. The facility is secured with the following collaterals: a) Primary collateral: Trade receivables and fixed deposits. b) Secondary collateral: Charge on the following properties: - Residential property situated at Block-VI, Flat-IB-2,Greenwood Park, Rajarhat, 24 Parganas [North]. Kolkata-700107; - Residential property situated at Flat 304, Greenwood Park, Rajarhat, 24 Parganas [North], Kolkata-700107; - Residential property situated at Premises No.1050/1,Servey Park, Udita Towers, Kolkata-700107; - Residential property situated at Flat No. 604 ,Green Woods Premium, Kaikhali, Kolkata-700107; - Commercial property situated at Y9 Building , Floor - 1st to 7th, Kolkata - 700107; c) Personal guarantors: Mr. Kishore Saraogi, Mr. Pankaj Dhanuka, Mrs. Chandra Kala Devi Dhanuka. d) Other guarantors: Windows Technologies Private Limited, Rasish Consultants Private Limited and PNS Business Private Limited.	Repayable in 12 equal monthly instalments of 0.20 million USD and 0.21 million USD. The foreign currency term loans, were taken over by HDFC Bank from EXIM Bank during the previous year, carries an interest rate of 1 Year Secured Overnight Financing rate "SOFR"+3.05% p.a . The sanctioned amount being INR 1,166.40 lakhs and INR 1,280.00 lakhs respectively out of which the amount utilised as on 31 March 2023 are INR 857.23 Lakhs and INR 822.94 respectively).
f)	Emerging Enterprise Group Loan from HDFC bank, balance outstanding amounting to INR 690.58 lakhs. The facility is secured with the followging collaterals: a) Primary collateral: Trade receivables and fixed deposits. b) Secondary collateral: Charge on the following properties: - Residential property situated at Block-VI, Flat-IB-2,Greenwood Park, Rajarhat, 24 Parganas [North]. Kolkata-700107; - Residential property situated at Flat 304, Greenwood Park, Rajarhat, 24 Parganas [North], Kolkata-700107; - Residential property situated at Premises No.1050/1,Servey Park, Udita Towers, Kolkata-700107; - Residential property situated at Flat No. 604 ,Green Woods Premium, Kaikhali, Kolkata-700107; - Commercial property situated at Y9 Building , Floor - 1st to 7th, Kolkata - 700107; c) Personal guarantors: Mr. Kishore Saraogi, Mr. Pankaj Dhanuka, Mrs. Chandra Kala Devi Dhanuka. d) Other guarantors: Windows Technologies Private Limited, Rasish Consultants Private Limited and PNS Business Private Limited.	Repayable in 21 and 84 equal monthly instalments of INR 28.36 lakhs and INR 4.06 lakhs respectively. Rate of interest is in the range of 9.25% p.a. to 9.85% p.a. (3M T-Bill of the date limit set /loan booking should be applicable) for both the years. The sanctioned amount being INR 759.00 lakhs and INR 500.00 lakhs respectively out of which the amount availed as on 31 March 2023 are INR 548.05 Lakhs and INR 142.54 lakhs respectively)

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g) **Details of cash credit facilities**

The Company had obtained a cash credit facility from HDFC Bank Limited, with a sanctioned limit of INR 3,000 lakhs, which had a tenure of 12 months and carried an interest rate of 8.92% p.a. The existing cash credit facility is having a sanctioned limit of INR 3,000 lakhs, out of which the Company has utilised INR 1,940.52 lakhs of the said facility, as on 31 March 2023. The Company has further obtained another cash credit facility from HDFC Bank Limited, with a sanctioned limit of INR 4,200 lakhs, which had a tenure of 12 months and carried an interest rate of 9.94% p.a. The existing cash credit facility is having a sanctioned limit of INR 4,200 lakhs, out of which the Company has utlised INR 3,808.17 lakhs of the said facility, as on 31 March 2023. For security details refer note (e) above.

h) There are two borrowings repaid by the Company in earlier years, wherein the Company is in the process of satisfaction of charges.

i) **Details related to borrowings secured against current assets**

The Company has given current assets as security for borrowings obtained from banks. The Company has duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

Name of bank	Quarter ended	Particulars of security provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
RBL Bank	30 June 2022	Trade receivables	2,876.81	3,095.37	(218.56)	Refer note (a) below.
		Trade payables	721.53	369.30	352.23	Refer note (c) below.
	30 September 2022	Trade receivables	3,774.23	3,738.10	36.13	Refer note (d) below.
		Trade payables	2,358.29	634.31	1,723.98	Refer note (c) below.
HDFC Bank	31 December 2022	Trade receivables	4,301.02	4,199.42	101.60	Refer note (b) below.
	31 March 2023	Trade receivables	4,179.86	4,440.29	(260.43)	Refer note (b) below.

Note

a. For details on security provided by the Company, please refer note 7.
b. Difference is majorly on account of non-consideration of related party balances and finalisations of unbilled revenues subsequent to the submission of returns/statements to the Banks.
c. Difference is majorly on account of related party payables, not considered while reporting the figures in quarterly statements to the Banks.
d. Not a material discrepancy.

25 Provisions (non-current)

Particulars	As at 31 March 2023
Provision for employee benefits (refer note 39)	
- Gratuity	294.76
- Compensated absences	108.20
Total	**402.96**

26 Trade payables

Particulars	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	57.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,789.69
Total	**2,847.30**

Refer note 40 for related party balances

Particulars	As at 31 March 2023
(i) The amounts remaining unpaid to micro and small suppliers as at the end of the year:	
- Principal	57.61
- Interest	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-
(iii) The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-

Trade payables ageing schedule

As at 31 March 2023	Current					
	Unbilled Dues	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
- MSME	-	57.61	-	-	-	**57.61**
- Others	1,052.91	1,144.04	327.67	5.02	1.02	**2,530.66**
Disputed trade payables						
- MSME	-	-	-	-	-	-
- Others	-	-	259.03	-	-	**259.03**
Total	**1,052.91**	**1,201.65**	**586.70**	**5.02**	**1.02**	**2,847.30**

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(All amount are in INR lakhs, unless otherwise stated)

27 Other financial liabilities (current)

Particulars	As at 31 March 2023
Interest accrued but not due on borrowings	3.54
Security deposits	124.90
Dividend payable (refer note below)	1.02
Capital creditors	151.05
Payable to employees*	1,231.41
Total	**1,511.92**

Note:

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

* Refer note 40 for related party balances

28 Other current liabilities

Particulars	As at 31 March 2023
Statutory dues	756.08
Advance from customers*	920.10
Total	**1,676.18**

* Refer note 40 for related party balances

29 Provisions (current)

Particulars	As at 31 March 2023
Provision for employee benefits (refer note 39)	
- Gratuity	48.86
- Compensated absences	64.87
Total	**113.73**

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91 *

(All amount are in INR lakhs, unless otherwise stated)

30 Revenue from operations

Particulars	For the year ended 31 March 2023
Sale of services	
Income from business process management services	34,228.03
Total	**34,228.03**

Notes:
(i) There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2023.
(ii) Refer note 41 for additional revenue disclosures.

31 Other income

Particulars	For the year ended 31 March 2023
Interest income on financial assets measured at amortised cost:	
- Bank deposits	27.69
- Loan to related parties (refer note 40)	82.51
- Income tax refund	21.13
- Security deposit	39.05
Dividend income (refer note 40)	34.70
Provision for credit allowances on trade receivables (refer note 16)	20.07
Liabilities/provisions no longer required written back	6.48
Foreign exchange gain (net)	84.94
Corporate guarantee fees (refer note 40)	4.47
Scrap sale	4.63
Miscellaneous income	84.55
Total	**410.22**

32 Employee benefits expense

Particulars	For the year ended 31 March 2023
Salaries, wages and bonus	20,305.37
Managerial remuneration (refer note 40)	63.97
Contribution to provident fund and other funds (refer note 39)	1,273.74
Staff welfare expenses	77.88
Post employment benefit plan (refer note 39)	273.36
Total	**21,994.32**

33 Finance cost

Particulars	For the year ended 31 March 2023
Interest expense at amortised cost on:	
- Term loan	765.07
- Lease liabilities (refer note 7(a))	67.87
- Loan from related party (refer note 40)	0.62
- Others	6.24
Total	**839.80**

34 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 6)	710.92
Amortisation on intangible assets (refer note 9)	140.27
Amortisation on right-of-use asset (refer note 7(a))	328.44
Total	**1,179.63**

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

35 Other expenses

Particulars	For the year ended 31 March 2023
Sales and marketing expense	176.52
Rent expense	1,106.76
Outsourcing expenses	3,799.26
Backend and field support charges	535.77
Bank charges	70.79
Electricity and water charges	365.47
Rates and taxes	86.98
Recruitment and training expenses	92.87
Repairs and maintenance:	
- plant and equipment	54.91
Printing and stationary charges	330.39
Insurance	124.51
Telephone and internet charges	542.21
Legal and professional fees	689.23
Membership and subscription expenses	403.14
Office and admin expenses	125.12
Security and housekeeping charges	159.58
Payments to auditors (refer note 35.1)	15.50
Bad debts written off	78.02
Commision and brokerage	13.63
Freight and carriage	13.45
Donation	23.83
Travelling and conveyance	681.78
Other receivables written off	0.19
Miscellaneous expenses	2.14
Total	**9,492.05**

35.1 Details of payment to auditors (excluding taxes)

Particulars	For the year ended 31 March 2023
As auditor:	
Statutory audit	15.50
Total	**15.50**

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Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

36 Tax expense

(A) Income tax expense:

Particulars	For the year ended 31 March 2023
Current tax	23.03
Tax related to earlier years	60.56
Deferred tax	77.85
Income tax expense reported in the Statement of profit or loss	**161.44**

(B) Income tax expense charged to Other Comprehensive income (OCI)

Particulars	For the year ended 31 March 2023
Items that will not be reclassified to profit or loss	
Remeasurement of net defined benefit liability	0.53
Income tax charged to OCI	**(0.13)**

(C) Reconciliation of tax charge

Particulars	For the year ended 31 March 2023
Profit before tax	1,132.45
Enacted income tax rate applicable to the Company	25.168%
Current tax expenses on profit before tax at the enacted income tax rate	**285.02**
Tax related to earlier years	60.56
Impact due to deductions claimed under Income-tax Act	(199.75)
Tax impact of expenses not deductible	7.77
Tax impact on remeasurement of net defined benefit liability	(0.13)
Others	7.97
Income tax expense	**161.44**

On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. The Company has elected to exercise the option permitted under section 115BAA in the earlier years. Accordingly, the Company has recognised the provision for income tax basis the rate prescribed in said section. The major components of income tax expense and the reconciliation of expense is based on the domestic effective tax rate of 25.168%.

(D) Deferred tax assets:

Particulars	As at 31 March 2023
Deferred tax liability	
Property, plant and equipment	31.42
Right-of-use assets	248.23
Total deferred tax liability (A)	**279.65**
Deferred tax assets	
Unwinding of financial instruments at amortised cost	283.47
Provision for credit allowances on trade receivables	268.60
Lease liabilities	179.67
Provision for employee benefits	130.04
Total deferred tax assets (B)	**861.78**
Deferred tax assets (net) (B-A)	**582.13**

Movement in deferred tax assets and deferred tax liabilities from 01 April 2022 to 31 March 2023:

Particulars	As at 1 April 2022	Recognised in profit or loss	Recognised in OCI	As at 31 March 2023
Deferred tax liabilities				
Property, plant and equipment	(40.52)	71.94	-	31.42
Right-of-use assets	276.75	(28.52)	-	248.23
Total deferred tax liability (A)	**236.23**	**43.42**	**-**	**279.65**
Deferred tax assets				
Unwinding of financial instruments at amortised cost	300.27	(16.80)	-	283.47
Provision for credit allowances on trade receivables	275.28	(6.68)	-	268.60
Lease liabilities	197.80	(18.13)	-	179.67
Provision for employee benefits	122.99	7.18	(0.13)	130.04
Total deferred tax assets (B)	**896.34**	**(34.43)**	**(0.13)**	**861.78**
Deferred tax assets (net) (B-A)	**660.11**	**(77.85)**	**(0.13)**	**582.13**

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FUSION CX LIMITED
Plot-Y9, Block-EP, Sector-V, Saltlake, Kol-91

(All amount are in INR lakhs, unless otherwise stated)

37 Earning per share

Particulars	For the year ended 31 March 2023
Profit attributable to ordinary equity holders	971.01
Weighted average number of equity shares outstanding - basic and diluted	12,60,12,400
Earnings per share (INR) - Basic and diluted (Face value INR 1 per share)	**0.77**

38 Contingent liabilities and commitments

Particulars	As at 31 March 2023
Contingent liabilities (to the extent not provided for)	
Disputed dues:	
- Income tax demand	223.57
Provident Fund	
The Honourable Supreme Court, had passed a judgement on 28 February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The management, based on legal advice, is of the view that the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered due to interpretation challenges, and resultant impact on the past provident fund liability, cannot be reasonably ascertained.	Amount not determinable

Commitments:

Bank guarantees (refer note (a) below)	1,802.29
Corporate guarantee:	
Corporate financial guarantees (refer note (b) below) on account of corporate guarantee to the bankers on behalf of subsidiaries for facilities availed by them (amount outstanding at close of the year).	2,668.78
Capital comitments:	
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:	
Property, plant and equipment	209.89
Less: Capital advances and CWIP	1.35
Net capital commitments	**208.54**

Notes:

(a) The Company has utilised non-fund based facility while executing the contract.

39 Employee benefits

(A) Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

During the year, the Company has recognized the following amounts in the Special Purpose Standalone Statement of Profit and Loss:

Particulars	For the year ended 31 March 2023
Employers' contribution to Provident Fund and Employee State Insurance Scheme	1,273.74
	1,273.74

(B) Defined benefit plans

I. Gratuity:

The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. This is an unfunded plan.

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(All amount are in INR lakhs, unless otherwise stated)

I. Gratuity (cont'd)

i) Amount recognised in Balance Sheet

Particulars	As at 31 March 2023
Present value of obligation as at the end of the year	343.62
Fair value of plan assets at the end of the year	-
Net liability recognized in Balance Sheet	**343.62**
Current liability	48.86
Non-current liability	294.76
Total	**343.62**

ii) Changes in the present value of benefit obligation

Particulars	As at 31 March 2023
Present value of obligation at the beginning of the year	335.27
Included in profit or loss	
Interest cost	19.58
Current service cost	91.61
	111.19
Included in other comprehensive income	
Actuarial gain - Financial assumptions	(17.24)
Actuarial loss - Experience	16.71
	(0.53)
Other	
Benefit payments directly by the Company	(102.31)
Present value of obligation at the end of the year	**343.62**

iii) Reconciliation of balance sheet amount

Particulars	As at 31 March 2023
Opening net liability	335.27
Expense recognised in profit and loss	111.19
Income recognised in other comprehensive income	(0.53)
Benefit payments directly by the Company	(102.31)
Balance sheet liability at the end of year	**343.62**

iv) Expense recognized in the statement of profit and loss

Particulars	For the year ended 31 March 2023
Current service cost	91.61
Net Interest cost	19.58
Total expenses recognized in the statement of profit and loss	**111.19**

v) Expense recognized in other comprehensive income

Particulars	For the year ended 31 March 2023
Actuarial (gains)/losses arising from:	
- Experience	16.71
- Assumptions changes	(17.24)
Net actuarial gains recognised in OCI	**(0.53)**

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

I. Gratuity (cont'd)

vi) Principal assumptions used for the purpose of the actuarial valuation

Particulars	For the year ended 31 March 2023
Mortality	100% of IALM (2012-14) Ultimate
Discount rate	7.30%
Salary increase rate	4%-5%
Withdrawal rate	
Age 20-30	30.00%
Age 31- 35	15.00%
Age 36- 60	10.00%
Average attained age	28 years
Retirement age	60 years

vii) Sensitivity analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The changes would have affected the defined benefit obligation as below:

Particulars	For the year ended 31 March 2023
Change in discount rate	
Delta effect + 1%	3,26,14,286
Delta effect + 1%	(5.09%)
Delta effect - 1%	3,63,11,490
Delta effect - 1%	5.67%
Change in rate of salary increase	
Delta effect + 1%	3,63,02,282
Delta effect + 1%	5.65%
Delta effect - 1%	3,25,81,724
Delta effect - 1%	(5.18%)

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

viii) Maturity profile of benefit payments

Year	For the year ended 31 March 2023
1 year	48.86
2 to 5 years	184.55
6 to 10 years	142.84
More than 10 years	186.52

The weighted average duration of defined benefit obligation is 13 years.

Gratuity is a defined benefit plan and entity is exposed to the following risks:

i) **Interest rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

ii) **Salary Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

iii) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

iv) **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

v) **Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of INR 20 lakhs).

II. Compensated absences:

The provision for compensated absences (privilege leave) as at the year end 31 March 2023 is INR 143.50 lakhs. The provision for compensated absences (sick leave) as at the year end 31 March 2023 is INR 29.57 lakhs.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

40 Related party disclosures

A. Details of related parties:

Description of relationship	Names of related parties
Holding Company	PNS Business Private Limited
Subsidiaries	O'Currance Inc., USA Fusion BPO Services Limited, Canada
Step-down Subsidiary	<u>Subsidiaries of O'Currance Inc., USA</u> Fusion BPO Services Limited S.A de C.V Fusion BPO Services Phills. Inc. MKB Enterprise Inc. (Merged O'currance Inc. with effect from 31 December 2022) Fusion BPO Invest Inc. Fusion BPO Services S.A.S (Columbia) Fusion BPO, S.de R.L.de C.V. (Mexico) Boomsourcing Inc., USA Teleserve Asia Solution Inc., USA Vital Recovery Services LLC Fusion BPO Services Limited (Jamaica) Fusion BPO Services Limited (UK) Omind Technologies, Inc. (Acquired on 31st December 2023) Vital Outsourcing Services Inc. (Merged O'currance Inc. with effect from 31 December 2022) Vital Solution Inc, (Merged O'currance Inc. with effect from 31 December 2022) <u>Subsidiaries of Omind Technologies, Inc.</u> Omind Technologies Private Limited <u>Subsidiaries of Fusion BPO Services Limited, Canada</u> Canada Inc. Ameridial Inc. Fusion BPO Services SHPK Finaccess BPO, Morocco <u>Subsidiaries of Finaccess BPO, Morocco</u> Phoneo SARL Mondial Phone SARL Parolis SARL Parolis SAS Paro Services Maroc SARL Paro Services SAS Parolis Maroc Services SARL <u>Subsidiary of Ameridial Inc.</u> Advanced Communication Group, Inc. (Merged with Ameridial Inc. with effect from 31 December 2022)
Key Management Personnel (KMPs)	Mr. Pankaj Dhanuka (Director) Mr. Kishore Saraogi (Director) Mr. Kashi Prasad Khandelwal (Director) w.e.f. 1 December 2024 Mrs. Saagarika Ghoshal (Director) w.e.f. 1 December 2024 Mr. Sanjay Banka (Director) w.e.f. 1 December 2024 Mr. Ritesh Chakraborty (Additional Director) w.e.f. 28 March 2025 Mr. Michael Daniel Lamm (Additional Director) w.e.f. 01 March 2025 Mr. Bradley Tyler Call (Additional Director) w.e.f. 27 January 2025 Mr. Amit Soni (Chief Financial Officer) Mr. Barun Singh (Company Secretary)
Entities over which KMPs/ directors and/ or their relatives are able to exercise significant influence	Rasish Consultants Private Limited Window Technologies Private Limited Global Seamless Tubes and Pipes Private Limited GSTP (HFS) Private Limited, India
Relative of KMPs	Mrs. Chandrakanta Dhanuka (Mother of Mr. Pankaj Dhanuka) Mrs. Rajani Saraogi (Wife of Mr.Kishore Saraogi)

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

(All amount are in INR lakhs, unless otherwise stated)

40 Related party disclosures (cont'd)

B. Details of related party transactions during the year:

Particulars	**For the year ended 31 March 2023**
Sale of Services	
Ameridial Inc.	645.14
Boomsourcing Inc., USA	276.93
Fusion BPO Services Limited (UK)	9.63
Fusion BPO Services Limited, Canada	1,515.77
O'Currance Inc., USA	666.61
Omind Technologies Private Limited	15.83
Global Seamless Tubes and Pipes Private Limited	0.09
Omind Technologies Inc.	3.81
Interest expense - lease liability	
Window Technologies Private Limited	43.65
Interest Income - security deposit	
Window Technologies Private Limited	31.24
Rent expense	
Window Technologies Private Limited	129.60
Dividend income	
Window Technologies Private Limited	34.70
Commission on guarantee given	
Fusion BPO Services Limited, Canada	4.47
Outsourcing expenses	
Window Technologies Private Limited	2,362.81
PNS Business Private Limited	13.35
Omind Technologies Private Limited	231.15
Subscription cost	
Omind Technologies Private Limited	133.40
Interest income on loans given	
Window Technologies Private Limited	69.11
Omind Technologies Private Limited	2.64
Loans given	
Window Technologies Private Limited	355.26
Omind Technologies Private Limited	33.50
Dividend paid	
PNS Business Private Limited	80.36
Rasish Consultancy Private Limited	76.02
Remuneration paid to KMP's	
Mr. Pankaj Dhanuka	54.00
Mr. Kishore Saraogi	6.00

C. Balances outstanding as at the end of the year:

Particulars	**As at 31 March 2023**
Trade receivable	
Ameridial Inc.	32.96
Fusion BPO Services Limited (UK)	2.79
Fusion BPO Services Limited, Canada	650.00
O'Currance Inc., USA	171.86
Omind Technologies, Inc.	53.33
Omind Technologies Private Limited	41.93
Boomsourcing Inc., USA	32.64
Global Seamless Tubes and Pipes Private Limited	0.11
Advance from customers	
Fusion BPO Services Limited, Canada	553.11
Ameridial Inc.	195.65
O'Currance Inc., USA	108.62
Other financial assets (current)	
Fusion BPO Services Limited, Canada	4.47

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FUSION CX LIMITED Plot-9, Block-EP, Sector-V, Saltlake KOL-91

(All amount are in INR lakhs, unless otherwise stated)

40 Related party disclosures (cont'd)

Particulars	As at 31 March 2023
Right-of-use assets	
Window Technologies Private Limited	692.95
Lease liability	
Window Technologies Private Limited	420.81
Loans granted (including interest receivable)	
Window Technologies Private Limited	1,224.93
Omind Technologies Private Limited	50.57
Investment in equity shares	
O'Currance Inc., USA	1,288.20
Fusion BPO Services Limited, Canada	60.17
Investment in preference shares	
Window Technologies Private Limited	310.31
Security deposits receivable	
Window Technologies Private Limited	329.14
Trade payables	
GSTP (HFS) Private Limited, India	2.22
Omind Technologies Private Limited	280.75
Window Technologies Private Limited	25.32
Omind Technologies, Inc.	113.37
Payable to KMPs	
Mr. Pankaj Dhanuka	9.53
Mr. Kishore Saraogi	1.41

Notes:

i) All transactions with these related parties are made on terms equivalent to those that prevail in arm's length transaction and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured.

ii) Related parties have been identified by the Management and relied upon by the auditors.

iii) The remuneration to key managerial personnel does not include provision for gratuity and compensated absences, as they are determined for the Company as a whole.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

41 Revenue as per Ind AS 115

Contract balances

a) The following table provides information about receivables, unbilled revenue and deferred revenue from contracts with customers:

Particulars	As at 31 March 2023
Trade receivables	9,287.90
Contract liabilities	
Advances from customers	920.10

b) Significant changes in the contract balances during the year are as follows:

Particulars	As at 31 March 2023
Opening balance	22.65
Revenue recognised during the year	(22.65)
Advances received	920.10
At the end of the reporting period	**920.10**

c) Reconciliation of revenue recognised vis-à-vis contracted price

Particulars	For the year ended 31 March 2023
Revenue as per contracted price	34,228.03
Adjustments made to contract price on account of:	
Discount/rebates	-
Revenue from operations	**34,228.03**

d) Disaggregation of revenue

Revenue based on geography

Particulars	For the year ended 31 March 2023
Domestic	30,806.40
Export	3,421.63
Revenue from operations	**34,228.03**

Revenue based on timing of recognition

Particulars	For the year ended 31 March 2023
Revenue recognition at a point in time	34,228.03
Revenue recognition over period of time	-
Revenue from operations	**34,228.03**

e) Two customers has contributed to more than 10% of the total revenue amounting to INR 9,694.81 lakhs.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

(All amount are in INR lakhs, unless otherwise stated)

42 Fair value measurements

(A) Classification of financial assets and financial liabilities:

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as amortised cost. There are no other financial assets or financial liabilities classified under Fair value through Profit and Loss (FVTPL) and Fair value through Other Comprehensive Income (FVOCI).

Particulars	As at 31 March 2023
	Amortised Cost
Financial assets	
Non-current	
Loans	1,275.50
Other financial assets	916.74
Current	
Trade receivables	9,287.90
Cash and cash equivalents	370.35
Bank balances other than cash and cash equivalents	132.54
Loans	41.27
Other financial assets	207.67
Financial liabilities	
Non-current	
Borrowings	1,499.42
Lease liabilities	447.03
Current	
Borrowings	7,422.88
Lease liabilities	266.85
Trade payables	2,847.30
Other financial liabilities	1,511.92

(B) Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1 - Quoted prices in active markets for identical items (unadjusted).
- Level 2 - Inputs other than quoted prices included within 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 - Unobservable inputs (i.e. not derived from market data).

Fair value of financial assets and liabilities measured at amortized cost:

The fair value of other current financial assets, cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate the carrying amounts because of the short-term nature of these financial instruments.
The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security deposits are not significantly different from the carrying amount.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

43 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing Board. These risks are categorised into market risk, credit risk and liquidity risk.

(A) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and loans and borrowings.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Particulars	As at 31 March 2023
Non-current borrowings	1,499.42
Current borrowings (including current maturities of long-term debt)	7,422.88
Total borrowings (excluding interest accrued but not due)	**8,922.30**
Borrowings not carrying variable rate of Interest	6,450.35
Borrowings carrying variable rate of Interest	2,471.94
% of borrowings out of above bearing variable rate of interest	28%

Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax

Particulars	For the year ended 31 March 2023
100 bps increase would decrease the profit before tax by	(24.72)
100 bps decrease would increase the profit before tax by	24.72

(ii) Foreign currency risk

Foreign 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. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Unhedged foreign currency exposure

Particulars	Currency	As at 31 March 2023	
		Foreign currency (In lakhs)	Amount in INR
Borrowings (including interest)	USD	20.42	1,680.18
Trade receivables	USD	11.37	989.37
Trade receivables*	GBP	0.03	2.79
Trade payables	USD	1.38	113.37
		(10.39)	(801.39)

* Amount less than INR 10,000

Foreign currency risk sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax

	2022-2023	
	5% increase	5% decrease
USD	(40.21)	40.21
GBP	0.14	(0.14)
Increase / (decrease) in profit or loss	**(40.07)**	**40.07**

Price risk

The Company's doesn't have exposure to equity securities price risk, as the Company is a private company and not a listed entity.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

(All amount are in INR lakhs, unless otherwise stated)

43 Financial risk management (cont'd)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2023 is the carrying amounts of financial assets as per note 43. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Impairment of financial assets

(i) Cash and cash equivalents and bank balances other than cash and Cash and cash equivalents ('Balances with banks'):

Credit risk from balances with banks is considered negligible, since the counterparty is a reputable bank with high quality external credit rating. Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1".
Impairment on balances with banks has been measured on the 12-month expected loss basis. The Company considers that its balances with banks have low credit risk based on the external credit ratings of the counterparties. The amount of provision for expected credit losses on balances with banks is negligible.

(ii) Amount receivable from related parties:

Amount receivable from related parties represents receivable within very short period. There is no history of loss and credit risk from amount receivable from related parties, hence considered negligible and no ECL is recognised.

Trade receivables :

The Company applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company's trade receivable are generally having credit period from 30 to 60 days and historically, majority of trade receivables are recovered subsequently.
The Company uses a provision matrix to measure the ECLs of trade receivables. The provision matrix is initially based on the Company's historical observed default rates. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies and adjustment for forward looking factors are not considered significant, hence no adjustment for forward looking factors is carried.

Computation of allowance for impairment losses:

ECL is computed based on the trade receivable as at reporting period by applying the bucket wise lifetime loss rate (PDs) determined for each reporting period.

Other financial assets:

Balances with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors. Other financial assets mainly includes deposit given. Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1". There is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible.

Ageing for Trade receivables under simplified approach
Undisputed- considered good

31 March 2023	Not due	Less than 6 months	6 months-1 year	More than 1 year	Total
Gross carrying amount	2,981.48	6,102.38	513.81	757.45	10,355.12
Provision for expected credit losses	-	677.46	6.60	383.16	1,067.23
Carrying amount of trade receivable (net of impairment)	**2,981.48**	**5,424.92**	**507.21**	**374.29**	**9,287.89**

The movement in provision for expected credit loss is as follows:

Particulars	For the year ended 31 March 2023
Opening provision	1,093.77
Impairment loss reversed	26.54
Closing provision	**1,067.23**

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Financing arrangements:

The Company has the following undrawn committed borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023
Floating rate borrowing - expiry within one year	-
Unutilized bank overdraft facilities	2,343.13
Total	**2,343.13**

Maturities of financial liabilities:

The table below summarizes the undiscounted maturity profile of the Company's financial liabilities on an undiscounted basis:

Particulars	Carrying value	Contractual cash flows			
		Total	Within 1 year	1-5 years	More than 5 years
As at 31 March 2023					
Borrowings	8,922.30	8,922.30	7,422.88	1,499.42	-
Lease liabilities	713.87	879.15	327.28	551.87	-
Trade payables	2,847.30	2,847.30	2,847.30	-	-
Other financial liabilities	1,511.92	1,511.92	1,511.92	-	-
Total	**13,995.39**	**14,160.67**	**12,109.38**	**2,051.29**	**-**

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FUSION CX LIMITED Plot-Y8, Block-EP, Sector-V, Saltlake Kol-91

(All amount are in INR lakhs, unless otherwise stated)

44 Ratios

S No.	Ratio	Formula	Particulars		As at 31 March 2023		Ratio as on
			Numerator	Denominator	Numerator	Denominator	31 March 2023
(a)	Current ratio	Current assets/current liabilities	Current assets = inventories + current loans + trade receivable + cash & cash equivalents + other current financial assets	Current liability = current borrowings + current lease liabilities + trade payables + other financial liabilities + other current liabilities and provisions	10,623.66	13,838.86	0.77
(b)	Debt-equity ratio	Debt/equity	Debt= non current borrowings + non current lease liabilities + current borrowings + current lease liabilities	Equity = equity share capital + other equity	9,636.17	4,797.08	2.01
(c)	Debt service coverage ratio	Net operating income/debt service	Net profit after taxes + non-cash operating expenses like depreciation and other amortisations + interest + other adjustments like loss on sale of PPE, etc.	Interest expense + principal repayments made during the year for long term loans + lease payments	2,845.12	(804.09)	(3.54)
(d)	Return on equity ratio	Profit after tax less preference dividend x 100 / shareholder's equity	Net income = net profits after taxes less preference dividends	Average shareholder's equity	936.31	4,390.14	21.33%
(e)	Trade receivables turnover ratio	Net credit sales/average trade receivables	Net credit sales	Average trade receivables	34,228.03	7,791.91	4.39
(f)	Net capital turnover ratio	Revenue/working capital	Revenue from operations	Working capital = current assets-current liabilities	34,228.03	(3,215.21)	(10.65)
(g)	Net profit ratio	Net profit/net sales	Net profit	Net sales	971.01	34,228.03	2.84%
(h)	Return on capital employed	EBIT/capital employed	EBIT= earnings before interest and taxes	Capital employed = Tangible net worth + total borrowings + deferred tax liabilities (net)	1,972.25	14,433.26	13.66%
(i)	Return on investment	Other income (excluding dividend)/average cash and cash equivalents and other marketable securities	Other income (excluding dividend)	Average cash and cash equivalents and other marketable securities	N.A.	N.A.	

Note:

The Special Purpose Standalone Financial Statements have been prepared by the management of the company for the purpose of preparation of the restated consolidated financial information to be included in the Draft Red Herring Prospectus (the "DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with the proposed Initial Public Offer of equity shares ("IPO") by the Company. Accordingly, comparative figures have not been included in these Special Purpose Standalone Financial Statements, since these are prepared for the limited purposes as specified above.

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FUSION CX LIMITED Plot-9, Block-EP, Sector-V, Saltlake Kol-91

(All amount are in INR lakhs, unless otherwise stated)

45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company's objectives when managing capital are to:

a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and

b) provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following ratio: Net debt divided by total equity.

Particulars	As at 31 March 2023
Net debt (refer note (i) below)	9,136.82
Equity (refer note (ii) below)	4,797.08
Net debt to equity	1.90

(i) Net debt comprises of total borrowings (including interest accrued but not due) and lease liabilities reduced by cash and cash equivalents and other bank balances.

(ii) Equity comprises of equity share capital and other equity.

Dividend

	As at 31 March 2023
Equity shares (Face value of INR 1 each)	
(i) Equity shares	
Interim dividend for the year ended 31 March 2023 of INR 5 per fully paid share	157.52

Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

46 Details of corporate social responsibility (CSR) expenses:

The company is not liable for making payment for corporate social responsibility (CSR).

47 Other regulatory information

(i) Title deeds of immovable properties not held in name of the Company

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company in the current year.

(ii) Fair valuation of investment property

The Company does not have any investment property.

(iii) Revaluation of property, plant and equipment (including right-of-use assets) and intangible assets

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.

(iv) Loans or advances to specified persons

The Company has not given any loans or advances to specified persons during the current year.

(v) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder in the current year.

(vi) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority in the current year.

(vii) Relationship with struck off companies

The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 in the current year.

(viii) Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in the current year.

(ix) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 in the current year.

(x) Compliance with approved scheme of arrangement

The Company has entered in merger with its wholly owned subsidiary, Competent Synergies Private Limited ("CSPL") via a scheme of amalgamation ("the Scheme") during the current year w.e.f. 1 April 2022. Refer note 1.

(xi) Utilisation of borrowed funds and share premium in the current year and previous year:

The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91

Fusion CX Limited (formerly Fusion CX Private Limited; formerly Xplore-Tech Services Private Limited)
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amount are in INR lakhs, unless otherwise stated)

47 Other regulatory information (cont'd)

(xii) Undisclosed income

The Company does not have any undisclosed income not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 in the current year.

(xiii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current year.

(xiv) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such borrowings were taken in the current year.

(xv) Details of loan given, investments made and guarantee given covered under section 186(4) of the Companies Act, 2013

The Company has complied with the provisions of Sections 186 of the Companies Act, 2013, in respect of loans granted, investments made and guarantees given in the current year. Refer note 24 for details.

(xvi) Note on misappropriation of funds

During the process of vendor balance reconciliation in the financial year 2023, the management astutely identified and promptly addressed an incident involving the misappropriation of funds by a former employee, amounting to ₹ 430.80 lakhs of the Company. The proactive measures taken by management resulted in successful recovery of a significant portion of the misappropriated fund amounting to ₹ 311.35 lakhs and the remaining unrecovered amount of ₹ 119.45 lakhs was charged to Financial Statements. Consequently, there was no material impact on the financial statements of the Company for the year ended 31 March 2023.

(xvii) Notice from Registrar of Companies ('RoC')

The Company was in receipt of an inquiry notice under section 206 (1) of the Companies Act, 2013 ("the Act"), dated 09 April 2021 and a summon notice under section 207 (3) (b) of the Act, dated 6 September 2023, from the Registrar of Companies, West Bengal (hereinafter referred to as 'the authority"), directing the Management to furnish certain information and explanation regarding the Company's Books of accounts and certain transactions from the financial year ended 31 March 2012 till date in the manner as conveyed in the notice. The management has consequently submitted the details to the appropriate authorities and the said inquiry is closed.

48 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13 November, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are published.

49 In accordance with Indian Accounting Standard 108 'Operating Segment', segment information has been disclosed in the consolidated financial statements of Fusion CX Limited (formerly Fusion CX Private Limited), and therefore, no separate disclosure on segment information is given in these financial statements.

50 Subsequent events after the reporting date

The Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company and consequently the name of the Company has changed to "Fusion CX Limited" pursuant to a fresh certificate of incorporation issued by ROC on 12 March 2025.

As per our report of even date
For M S K C & Associates LLP (formerly knowm as M S K C & Associates)
Chartered Accountants
Firm's Registration No: 001595S/S000168

Dipak Jaiswal
Partner
Membership No: 063682

MSKC & ASSOCIATES LLP Chartered Accountants

Place: Kolkata
Date: 28 March 2025

For and on behalf of the Board of Directors of
Fusion CX Limited
(Formerly Fusion CX Private Limited;
formerly Xplore-Tech Services Private Limited)
CIN No.: U72900WB2004PTC097921

Pankaj Dhanuka	**Kishore Saraogi**
Director	Director
DIN: 00569195	DIN: 00623022
Barun Singh	**Amit Soni**
Company Secretary	Chief Financial Officer
Membership No: A32887	

Place: Kolkata
Date: 28 March 2025

FUSION CX LIMITED Plot-Y9, Block-EP, Sector-V, Saltlake Kol-91