

**INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

**To the Members of Fusion BPO Invest Inc.  
Report on the Audit of the Special Purpose Financial Statements**

**Opinion**

We have audited the accompanying Special purpose standalone financial statements of **Fusion BPO Invest Inc.** ("the Company"), which comprise the Special Purpose Balance Sheet as at March 31, 2024, 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 significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Standalone Financial Statements of the Company for the year ended 31 March 2024 are prepared in all material respects, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

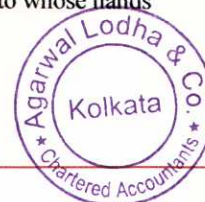
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 ("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.



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### **Key Audit Matters**

In accordance with SA 701, we have determined that there are no key audit matters to communicate in our report as the Company is an unlisted entity.

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

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with the basis of accounting described in Note 2.1, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors of the company is responsible for overseeing the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose 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. The scope of the audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### **Other Matter**

The Company has prepared a separate set of Financial Statements for the year ended 31 March 2024 in accordance with the Accounting Standards notified 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 us and whose report dated 4<sup>th</sup> March 2025 expressed an unmodified opinion.

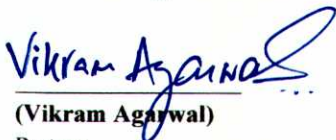
These Special Purpose Standalone Financial Statements for the year ended 31 March 2024 has been prepared by the management of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Standalone Financial Statements and approved by the Board of Directors of the Company solely 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.

### **Report on Other Legal and Regulatory Requirements**

Since the Company is incorporated outside India, this report does not include reporting on matters specified under the Companies Act, 2013. However, we have considered applicable provisions relevant to the DRHP and SEBI (ICDR) Regulations, 2018 as amended.

**For AGARWAL LODHA & Co**  
**Chartered Accountants**

ICAI Firm Registration No. 330395E

  
(Vikram Agarwal)

Partner

Membership No. 303354

UDIN: 25303354BMLBOO6641

Place of Signature: Kolkata

Date: 04-03-2025



Fusion BPO Invest Inc.

Special purpose statement of financial position as at 31 March 2024

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

Particulars	Notes	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
<b>Assets</b>				
<b>Non-current assets</b>				
Financial assets				
Loans	6	6,540.91	6,436.19	5,840.22
<b>Total non-current assets</b>		<b>6,540.91</b>	<b>6,436.19</b>	<b>5,840.22</b>
<b>Current assets</b>				
Financial assets				
Cash and cash equivalents	7	0.80	12.33	86.85
<b>Total current assets</b>		<b>0.80</b>	<b>12.33</b>	<b>86.85</b>
<b>Total Assets</b>		<b>6,541.71</b>	<b>6,448.51</b>	<b>5,927.07</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	8	5,927.54	5,927.54	5,927.54
Other equity	9	614.18	520.98	(0.47)
<b>Total equity</b>		<b>6,541.71</b>	<b>6,448.51</b>	<b>5,927.07</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings		-	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		-	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity and Liabilities</b>		<b>6,541.71</b>	<b>6,448.51</b>	<b>5,927.07</b>

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

As per our report of even date

For Agarwal Lodha & Co

Chartered Accountants

Firm's Registration No: 330395E

*Vikram Agarwal*

Vikram Agarwal

Partner

Membership No: 303354

UDIN:25303354BMLB006641

Place: Kolkata

Date: 04-03-2025



For and on behalf of the Board of Directors of  
Fusion BPO Invest Inc.

*Pankaj Dhanuka* *Kishore Saradgi*

Pankaj Dhanuka  
Director

Kishore Saradgi  
Director

Place: Kolkata

Date: 04-03-2025



**Fusion BPO Invest Inc.**

**Special Purpose Statement of Profit And Loss for the year ended 31 March 2024**

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

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Employee benefits expenses		-	-
Finance costs		-	-
Depreciation and amortisation expense		-	-
Other expenses	10	0.04	0.01
<b>Total expenses</b>		<b>0.04</b>	<b>0.01</b>
<b>Profit before tax</b>		<b>(0.04)</b>	<b>(0.01)</b>
<b>Income tax expense</b>			
Current tax		-	-
Tax pertaining to earlier years		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>(0.04)</b>	<b>(0.01)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement gain/(loss) of net defined benefit plan			
Income tax effect on above			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Foreign currency translation reserve		93.23	521.46
<b>Other comprehensive income for the year, net of tax</b>		<b>93.23</b>	<b>521.46</b>
<b>Total comprehensive income for the year</b>		<b>93.20</b>	<b>521.45</b>

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

As per our report of even date

For Agarwal Lodha & Co

Chartered Accountants

Firm's Registration No: 330395E

*Vikram Agarwal*  
Vikram Agarwal  
Partner

Membership No: 303354

UDIN: 25303354BMLB006641

Place: Kolkata

Date: 04-03-2025



For and on behalf of the Board of Directors of  
Fusion BPO Invest Inc.

*Pankaj Dhanuka*

Pankaj Dhanuka  
Director

*Kishore Saraogi*

Kishore Saraogi  
Director

Place: Kolkata

Date: 04-03-2025

Fusion BPO Invest Inc.

Special Purpose Statement of Cash Flows for the year ended 31 March 2024

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Profit before tax	(0.04)	(0.01)
Adjustments for:		
Depreciation and amortisation expense	-	-
Finance costs	-	-
<b>Operating profit before working capital changes</b>	<b>(0.04)</b>	<b>(0.01)</b>
<b>Changes in operating assets and liabilities</b>		
Adjustments for (increase) / decrease in operating assets		
Trade receivables	-	-
Other financial assets	-	-
Other current assets	-	-
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	-	-
Other financial liabilities	-	-
Other liabilities	-	-
<b>Cash generated from operations</b>	<b>(0.04)</b>	<b>(0.01)</b>
Income tax paid (net)	-	-
<b>Net cash flows generated from operating activities (A)</b>	<b>(0.04)</b>	<b>(0.01)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment and other intangible assets (including intangible assets under development, capital work-in-progress, capital advances and capital creditors)	-	-
Proceeds from Investment	-	-
Foreign Currency Translation Reserve	93.23	521.46
Loan given (net)	(104.72)	(595.97)
Interest received	-	-
<b>Net cash flows used in investing activities (B)</b>	<b>(11.49)</b>	<b>(74.51)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	-	-
<b>Net cash flows (used in) / generated from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(11.53)</b>	<b>(74.52)</b>
Cash and cash equivalents at the beginning of the year	12.33	86.85
<b>Cash and cash equivalents at the end of the year</b>	<b>0.80</b>	<b>12.33</b>

Cash and cash equivalents comprises:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Balances with banks		
- in current accounts	0.80	12.33
<b>Balances as per Statement of Cash Flows</b>	<b>0.80</b>	<b>12.33</b>

Note:

(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.

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

As per our report of even date

For Agarwal Lodha & Co

Chartered Accountants

Firm's Registration No: 330395E

Vikram Agarwal

Partner

Membership No: 303364

UDIN: 25303354BMLB006641

Place: Kolkata

Date: 04-03-2025



For and on behalf of the Board of Directors of

*Pankaj Dhanuka*

Pankaj Dhanuka  
Director

*Kishore Sarangi*

Kishore Sarangi  
Director

Place: Kolkata

Date: 04-03-2025



Fusion BPO Invest Inc.

**Summary of material accounting policies and other explanatory information for the year ended 31 March 2024**

(All amounts in INR, unless otherwise stated)

**1 Corporate information**

Fusion BPO Invest Inc ("the Company") was incorporated on September 21, 2020, and is domiciled in USA. The principal place of business is located in USA. The Company is primarily engaged in the provision of Business Process Outsourcing (BPO), Information Technology (IT), and Information Technology Enabled Services (ITeS).

**2 Material accounting policies**

**2.1 Basis of preparation**

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

These special purpose financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The special purpose financial statements up to year ended 31 March 2023 were prepared in accordance with the accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP' or 'Previous GAAP'). These special purpose financial statements for the year ended 31 March 2024 are the first set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is 01 April 2022 (hereinafter referred to as the 'transition date').

The special purpose financial statements for the year ended 31 March 2023 and the opening Balance Sheet as at 01 April 2022 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Balance Sheet, Statement of Profit and Loss (including Comprehensive Income) and Cash Flow Statement are provided in Note 5.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

These special purpose financial statements were approved for issue in accordance with a resolution of the directors on 30 October 2024.

The Guidance Note on Division II - Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ('ICAI') has been followed in so far.

**(b) Basis of measurement**

These special purpose 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)  
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 Company has consistently applied the following accounting policies throughout the periods presented in these financial statements.

**(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 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 financial statements on the basis that it will continue to operate as a going concern.



(f) **Use of estimates**

The preparation of 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 financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of 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.

(g) **Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities into current and non-current. Accordingly, current assets do not include elements which are not expected to be realised within 12 months and current liabilities do not include items where the Company does not have an unconditional right to defer settlement beyond a period of 12 months, the period of 12 months being reckoned from the reporting date.

(h) **Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules issued from time to time. As at 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**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 exist, 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
Computer	3 - 6
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 Group are assessed as finite.

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

Asset	Useful life
Customer List	5 years
Computer Software	3 - 5 years





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.

## 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 pertain for premises and equipment 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.

## 2.2 Summary of material accounting policies (cont'd)

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.





#### 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.

#### (f) 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.

#### (g) 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.

#### (h) 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 derecognised 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.

#### (i) 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

##### (j) 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 through 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 counterparty.

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 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

## 2.2 Summary of material accounting policies (cont'd)

##### (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 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.

#### 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) Earnings 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**

The Company is incorporated and operates outside India and hence is governed by the financial reporting framework and statutory requirements applicable in its country of incorporation.

As per the applicable local laws and financial reporting framework, there is no requirement to recognize certain long-term obligations (e.g., gratuity, leave encashment, retirement benefits, etc.) which are typically mandated under Indian statutory requirements such as the Payment of Gratuity Act, 1972 or the Accounting Standards like Ind AS 19.

Accordingly, such long-term obligations have not been recognized or provided for in the financial statements of the Company. This accounting treatment is in compliance with the applicable local reporting framework.

**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.

**2.2 Summary of material accounting policies (cont'd)**

**Share based payments**

Share-based compensation benefits are provided to employees via the "Xplore Employee Stock Option Plan 2023" (ESOP scheme) of the Parent Company. The fair value of options granted under the ESOP scheme is recognised as an employee benefits expense with a corresponding increase in equity in the books of its parent company. The total amount to be expensed is determined by reference to the fair value of the options granted

- including the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to serve or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Out of the total expenses incurred by its parent company the expenses incurred on behalf of Canada is billed as expenses and is taken as expenses by Canada.

(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.

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) to be realized.

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.

**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 special purpose 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) **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.

(c) **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.

(d) **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.

(e) **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 financial statements.

(f) **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.

**0.1 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 applied these amendments for the first-time in these special purpose financial statements.





(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 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 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.

**0.1 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**4 First-time adoption of Ind-AS**

These special purpose financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2024, together with the comparative year data as at and for the year ended 31 March 2023, as described in the material accounting policies/Group accounting policies as applicable. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2022, being the Company's statutory date of transition to Ind AS.

**Exemptions availed on first time adoption of Ind AS**

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions and certain optional exceptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(i) **Optional**

**Deemed Cost of property plant and equipment and intangible assets**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) **Mandatory Exceptions on first-time adoption of Ind AS**

(a) **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2022 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(ii) FVTPL - debt securities

(iii) Effective interest rate used in calculation of security deposit.

(b) **Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

(c) **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.





Fusion BPO Invest Inc.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

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

**5 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 1 April 2022 and as at 31 March 2023
- (b) Reconciliation of total comprehensive income for the year ended 31 March 2023
- (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 and 1 April 2022**

	Notes to first-time adoption	As at 31 March 2023	As at 1 April 2022
Equity share capital		5,927.54	5,927.54
Capital Reserve		-	-
Securities premium		-	-
Retained earnings		(0.48)	(0.47)
Shareholder's equity as per Indian GAAP (A)		5,927.06	5,927.07
<b>Add/(Less): Adjustment</b>			
Fair valuation of security deposit	(i)	-	-
Impact on account of adoption of Ind AS 116	(ii)	-	-
Investment in preference shares	(iii)	-	-
Impairment allowance for expected credit losses	(iv)	-	-
Deferred tax impact on Ind AS Adjustments	(vi)	-	-
Impact on account of adoption of IND AS 103 Appendix C	(vii)	-	-
Others		-	-
<b>Total Ind AS adjustments (B)</b>		0.01	-
<b>Equity as per Ind AS (A-B)</b>		<b>5,927.06</b>	<b>5,927.06</b>

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

	Notes to first-time adoption	For the year ended 31 March 2023
Net Profit as per Indian GAAP (C)		(0.01)
<b>Add/(Less): Adjustment</b>		
Add/(Less): Adjustment		
Fair valuation of security deposit	(i)	-
Impact on account of adoption of Ind AS 116	(ii)	-
Investment in preference shares	(iii)	-
Impairment allowance for expected credit losses	(iv)	-
Remeasurement (gain)/loss of net defined benefit plan	(v)	-
Deferred tax impact on Ind AS Adjustments	(vi)	-
Impact on account of adoption of IND AS 103 Appendix C	(vii)	-
Others		-
<b>Total Ind AS adjustments (D)</b>		-
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Remeasurement (gain)/loss of net defined benefit plan		
<b>Total comprehensive income as per Ind AS (C-D)</b>		<b>(0.01)</b>

(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.

**(i) Security deposit**

Under Previous GAAP, interest free lease security deposits are recorded at its 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 its 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 Local 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 IGAAP 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 Group 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 investment 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 Private Limited (Formerly Xplore-Tech Services 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 and comparative 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 restating the earliest period presented.

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**Fusion BPO Invest Inc.**

**Notes to the special purpose financial statements**  
(All amount are in INR Lakhs, unless otherwise stated)

**6 Loans (Non current)**

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Unsecured, considered good Loans to related parties	6,540.91	6,436.19	5,840.22
<b>Total</b>	<b>6,540.91</b>	<b>6,436.19</b>	<b>5,840.22</b>

**Note:**

- a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information  
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 2024	As at 31 March 2023	As at 01 April 2022
Loans considered good - secured	-	-	-
Loans considered good - unsecured	6,540.91	6,436.19	5,840.22
<b>Total</b>	<b>6,540.91</b>	<b>6,436.19</b>	<b>5,840.22</b>

**7 Cash and cash equivalents**

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Balances with banks In current accounts	0.80	12.33	86.85
Cash on hand	-	-	-
<b>Total</b>	<b>0.80</b>	<b>12.33</b>	<b>86.85</b>





## 8 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
<b>Authorised share capital</b>			
Equity Shares	5927.54	5927.54	5927.54
Equity Share of (31 March 2024: No. of Shares Held- 100 USD) ( Value of per share :1 USD)	-	-	-
<b>Issued, subscribed and paid up</b>			
Equity Shares	5,927.54	5,927.54	5,927.54
Equity Share of (31 March 2024: No. of Shares Held- 100 USD) ( Value of per share :1 USD)	-	-	-
<b>Total</b>	<b>5,927.54</b>	<b>5,927.54</b>	<b>5,927.54</b>

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

Particulars	As at 31 March 2024		As at 31 March 2023		As at 01 April 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	5,927.54	-	5,927.54	-	5,927.54
Add: Adjusted number of shares on account of sub-division of equity share (Refer note below)	-	-	-	-	-	-
Add: Bonus shares issued during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>5,927.54</b>	<b>-</b>	<b>5,927.54</b>	<b>-</b>	<b>5,927.54</b>

During the previous 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

## (B) Rights, preferences and restrictions attached:

The Company has only one class of equity shares (Common stock, no par value). Each shareholder is entitled to one vote per share held. 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, the ultimate holding company, their subsidiaries and associates

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
O'Curran Inc.	60.17	60.17	60.17
1,50,000 equity shares (31 March 2023: 1,50,000 equity shares, 1 April 2022: 1,50,000 equity shares), fully paid up	60.17	60.17	60.17

## (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 2024		As at 31 March 2023		As at 01 April 2022	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
O'Curran Inc.	-	#DIV/0!	-	#DIV/0!	(100)	#DIV/0!



Fusion BPO Invest Inc.

Notes to the special purpose financial statements

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

9 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Retained earnings	(0.51)	(0.48)	(0.47)
Foreign Currency Translation Reserve	614.69	521.46	0.00
<b>Total</b>	<b>614.18</b>	<b>520.98</b>	<b>(0.47)</b>

(A) Retained earnings

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Opening balance	(0.48)	(0.47)	(0.43)
Add: Profit for the year	(0.04)	(0.01)	(0.03)
Less: Dividend paid	-	-	-
<b>Closing balance</b>	<b>(0.51)</b>	<b>(0.48)</b>	<b>(0.47)</b>

(B) Foreign Currency Translation Reserve

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Opening balance	521.46	0.00	
Add: Movement during the year	93.23	521.46	
<b>Closing balance</b>	<b>614.69</b>	<b>521.46</b>	<b>0.00</b>

Nature and purpose of other reserves

<b>Retained earnings</b>	Retained earnings are the profits that the Group 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 Consolidated Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.
<b>Foreign currency translation reserve</b>	Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.





**Fusion BPO Invest Inc.**  
**Notes to the special purpose financial statements**  
(All amount are in INR Lakhs, unless otherwise stated)

**10 Other expenses**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Bank charges	0.04	0.01
<b>Total</b>	<b>0.04</b>	<b>0.01</b>

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Fusion BPO Invest Inc.

Notes to the special purpose financial statements

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

11 Earning per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to ordinary equity holders	(0.04)	(0.01)
Weighted average number of equity shares outstanding - Basic	-	-
Weighted average number of equity shares outstanding - Diluted	-	-
Earnings per share (INR) - Basic	#DIV/0!	#DIV/0!
Earnings per share (INR) - Diluted	#DIV/0!	#DIV/0!





12 Related party disclosures

A. Details of related parties:

Description of relationship	Names of related parties
Holding Company	Fusion CX Private Limited (Formerly Xplore-Tech Services Private Limited)
Key Management Personnel (KMPs)	Mr. Pankaj Dhanuka (Director) Mr. Kishore Saraogi (Director)
Fellow Subsidiaries	O'Curran Inc Fusion BPO Services SA DE CV (ELS) Fusion BPO Services Limited, Mexico Omind Technologies, Inc. US Fusion BPO Services Limited, Jamaica Fusion BPO Services Ltd, Canada Fusion BPO Services Philippines, Inc. Fusion BPO Services SA DE CV Fusion BPO Services SAS, Colombia Ameridial Inc. Vital Recovery Services LLC Fusion BPO Canada Boomsourcing LLC Phoneo SARL
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 Omind Technologies Private Limited (Upto 31st December 2023) Omind Technologies Inc. (Upto 31st December 2023) 515 Oakland NC Ltd. SSR Services Inc. PKR Services Inc. GSTP (HFS) Private Limited, India
Relative of KMPs	Mrs. Chandrakanta Dhanuka (Mother of Mr. Pankaj Dhanuka) Mrs. Rajani Saraogi (Wife of Mr. Kishore Saraogi)

B. Details of related party transactions during the year:

12 Related party disclosures

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Loan Receivable			
Fusion BPO Services Ltd, Albania	288.78	284.67	261.65
Fusion BPO Services Ltd, Canada	781.62	770.48	708.17
Ocurran Inc	5,470.51	5,381.04	4,870.40

Notes:

- All transactions with these related parties are made on terms equivalent to that prevails, 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.
- Related parties have been identified by the Management and relied upon by the auditors.
- The remuneration to key managerial personnel does not include provision for gratuity and compensated absences, as they are determined for the Group as a whole.



13 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 2024	As at 31 March 2023	As at 01 April 2022
Trade Receivables			
Contract liabilities			
Advances from customers			

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

Particulars	Contract liabilities	
	As at 31 March 2024	As at 31 March 2023
Opening balance	-	-
Revenue recognised during the year	-	-
Advances received	-	-
At the end of the reporting period	-	-

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price		
Adjustments made to contract price on account of :-		
Discount / Rebates	-	-
Revenue from operations		

d) Disaggregation of revenue

Revenue based on geography

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Domestic		
Export		
Revenue from operations	-	-

Revenue based on timing of recognition

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue recognition at a point in time	-	-
Revenue recognition over period of time	-	-
Revenue from operations	-	-

Two customers has contributed to more than 10% of the total revenue amounting to INR 7,870.02 lakhs (31 March 2023 - Two customer amounting to INR 9,694.81 lakhs).





**14 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 2024 Amortised Cost	As at 31 March 2023 Amortised Cost	As at 01 April 2022 Amortised Cost
<b>Financial assets</b>			
<b>Non-current</b>			
Loans	6,540.91	6,436.19	5,840.22
Other financial assets			
<b>Current</b>			
Trade receivables			
Cash and cash equivalents	0.80	12.33	86.85
Bank balances other than cash and cash equivalents			
Loans			
Other financial assets			
<b>Financial liabilities</b>			
<b>Non-current</b>			
Borrowings	-	-	-
Lease liabilities			
<b>Current</b>			
Borrowings	-	-	-
Lease liabilities			
Trade payables			
Other financial liabilities			

**(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.





**15 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 2024	As at 31 March 2023
Non-current borrowings	-	-
Current borrowings (including current maturities of long-term debt)	-	-
<b>Total Borrowings (excluding interest accrued but not due)</b>	-	-
Borrowings not carrying variable rate of Interest	-	-
Borrowings carrying variable rate of Interest	-	-
% of Borrowings out of above bearing variable rate of interest	#DIV/0!	#DIV/0!

**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 2024	For the year ended 31 March 2023
100 bps increase would decrease the profit before tax by	-	-
100 bps decrease would increase the profit before tax by	-	-

**(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).

**(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 2024, 31 March 2023 and 1 April 2022 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.



Fusion BPO Invest Inc.

Notes to the special purpose financial statements

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

**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.

**(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 2024	As at 31 March 2023	As at 01 April 2022
Floating rate borrowing - expiry within one year	-	-	-
Unutilized bank overdraft facilities	-	-	-
<b>Total</b>	-	-	-

**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
<b>As at 31 March 2024</b>					
Borrowings					-
Lease liabilities					-
Trade payables					-
Other financial liabilities					-
<b>Total</b>	-	-	-	-	-
<b>As at 31 March 2023</b>					
Borrowings					-
Lease liabilities					-
Trade payables					-
Other financial liabilities					-
<b>Total</b>	-	-	-	-	-
<b>As at 1 April 2022</b>					
Borrowings					-
Lease liabilities					-
Trade payables					-
Other financial liabilities					-
<b>Total</b>	-	-	-	-	-



## 16 Ratios

[illegible]



**17 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:

- 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
- 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 2024	As at 31 March 2023	As at 01 April 2022
Net debt (Refer note (i) below)	(0.80)	(12.33)	(86.85)
Equity (Refer note (ii) below)	6,541.71	6,448.51	5,927.07
Net debt to equity	(0.00)	(0.00)	(0.01)

(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 2024	As at 31 March 2023
Equity shares (Face value of INR 1 each)		
(i) Equity shares		
Interim dividend for the year ended 31 March 2024		
(ii) Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of INR 0.2 per fully paid equity share (31 March 2023 - Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	0.00	0.01

**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.

**18 Details of Corporate social responsibility (CSR) expenses:**

Note- The Company being a foreign company the obligation for Corporate social responsibility (CSR) as per Indian Acts are not applicable hence the disclosures are not given.

**Fusion BPO Invest Inc.**

**Notes to the special purpose financial statements**

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

- 19 The Company has appointed independent consultants for conducting a transfer pricing study for the year ended March 31, 2024 to determine whether the transactions with related parties were undertaken at "arms length basis". Adjustments, if any, arising from the transfer pricing study shall be accounted for, as and when the study is completed. The management confirms that all international transactions with related parties are undertaken at negotiated contracted prices on usual commercial terms. The transfer pricing report for the year ended March 31, 2023 has been obtained and there are no adverse comments requiring adjustments in the financial statements for the current year.
- 20 In accordance with Accounting Standard Ind As 108 'Operating Segment', segment information has been disclosed in the consolidated financial statements of Fusion CX Private Limited, and therefore, no separate disclosure on segment information is given in these financial statements.
- 21 **Note on Audit Trail**  
Under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, Companies are required to comply with certain reporting obligations effective from 1 April 2023. The Company is using Quick book and Tally, an ERP-based accounting software, for maintaining its books of accounts which does not have feature of recording audit trail (edit log) facility for all the transactions recorded in the accounting software.
- 22 Figures of the previous year has been re-grouped/re-arranged wherever necessary. The impact of the same is not material to the users of financial statements.

As per our report of even date  
For Agarwal Lodha & Co  
Chartered Accountants  
Firm's Registration No: 330395E

Vikram Agarwal  
Partner  
Membership No: 303354  
UDIN:25303354BMLBO06641  
Place: Kolkata  
Date: 04-03-2025



For and on behalf of the Board of Directors of  
Fusion BPO Invest Inc.



Pankaj Dhanuka  
Director

Place: Kolkata  
Date: 04-03-2025



Kishore Saraogi  
Director



11 Tax expense

(A) Income tax expense:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	-	-
Tax related to earlier years	-	-
Deferred tax	-	-
Income tax expense reported in the Statement of profit or loss	-	-

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Items that will not be reclassified to profit or loss	-	-
Remeasurement of net defined benefit liability	-	-
Foreign currency translation reserve	93.23	521.46
Income tax charged to OCI	93.23	521.46

(D) Deferred tax balances:

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Deferred tax liability			
Property, plant and equipment			
Right-of-use assets			
Total deferred tax liability (A)	-	-	-
Deferred tax assets			
Unwinding of financial instruments at amortised cost			
Provision for credit allowances on trade receivables			
Lease liabilities			
Provision for employee benefits			
Total deferred tax assets (B)	-	-	-
Deferred tax assets (net) (B-A)	-	-	-

Movement in deferred tax assets and deferred tax liabilities from 01 April 2023 to 31 March 2024:

Particulars	As at 01 April 2023	Recognised in profit or loss	Recognised in OCI	As at 31 March 2024
Deferred tax liabilities				
Property, plant and equipment	-	-	-	-
Right-of-use assets	-	-	-	-
Total deferred tax liability (A)	-	-	-	-
Deferred tax assets				
Unwinding of financial instruments at amortised cost	-	-	-	-
Provision for credit allowances on trade receivables	-	-	-	-
Lease liabilities	-	-	-	-
Provision for employee benefits	-	-	-	-
Total deferred tax assets (B)	-	-	-	-
Deferred tax assets (net) (B-A)	-	-	-	-

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

Particulars	As at 01 April 2022	Recognised in profit or loss	Recognised in OCI	As at 31 March 2023
Deferred tax liabilities				
Property, plant and equipment	-	-	-	-
Right-of-use assets	-	-	-	-
Total deferred tax liability (A)	-	-	-	-
Deferred tax assets				
Unwinding of financial instruments at amortised cost	-	-	-	-
Provision for credit allowances on trade receivables	-	-	-	-
Lease liabilities	-	-	-	-
Provision for employee benefits	-	-	-	-
Total deferred tax assets (B)	-	-	-	-
Deferred tax assets (net) (B-A)	-	-	-	-

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Fusion BPO Invest Inc.

**Special Purpose Statement of Changes in Equity for the year ended 31 March 2024**

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

**(A) Equity share capital (Refer note 8)**

Particulars	No. of Shares	Amount
Balance as at 1 April 2022		5,927.54
Issued during the year		-
Sub-division of equity shares		-
Balance as at 31 March 2023	-	5,927.54
Issued during the year	-	-
Balance as at 31 March 2024	-	5,927.54

**(B) Other equity (Refer note 9)**

Particulars	Reserve and Surplus		
	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance as at 1 April 2022	(0.47)	0.00	(0.47)
Revaluation	-	521.46	521.46
Profit for the year	(0.01)	-	(0.01)
Other comprehensive income for the year	-	-	-
Total comprehensive income	(0.01)	521.46	521.45
Adjustment due to issue of bonus shares	-	-	-
Dividend	-	-	-
Balance as at 31 March 2023	(0.48)	521.46	520.98

Particulars	Reserve and Surplus		
	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance as at 1 April 2023	(0.48)	521.46	520.98
Share based payment to employees	-	-	-
Profit for the year	(0.04)	-	(0.04)
Revaluation	-	93.23	93.23
Other comprehensive income for the year	-	-	-
Total comprehensive income	(0.04)	93.23	93.20
Less: Adjustment on Share Capital due to issue of	-	-	-
Less: Dividend	-	-	-
Balance as at 31 March 2024	(0.51)	614.69	614.18

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

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As per our report of even date  
For Agarwal Lodha & Co  
Chartered Accountants  
Firm's Registration No: 330395E

For and on behalf of the Board of Directors of  
Fusion BPO Invest Inc.

*Vikram Agarwal*  
Vikram Agarwal  
Partner

Membership No: 303354  
UDIN:25303354BMLBOO6641  
Place: Kolkata  
Date: 04-03-2025



*Pankaj Dhanuka*  
Pankaj Dhanuka  
Director

*Kishore Saraogi*  
Kishore Saraogi  
Director