

HGS PROPERTIES LLC, USA
 Balance Sheet As at
 (All amounts are in US Dollars)

Particulars	Notes	March 31, 2020	March 31, 2019
Assets			
Non-current assets			
Property, Plant and Equipment	2	7,815,490	8,016,906
Financial Assets			
(i) Loan	3	6,294,393	4,801,981
Total non-current assets		14,109,883	12,818,887
Total assets		14,109,883	12,818,887
EQUITY AND LIABILITIES			
Equity			
Other Equity	4	9,916,569	8,660,595
Total Equity		9,916,569	8,660,595
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	5	4,177,973	4,142,951
Total non-current liabilities		4,177,973	4,142,951
Current liabilities			
Financial Liabilities			
(i) Trade payables	6	15,341	15,341
Total current liabilities		15,341	15,341
Total Equity and Liabilities		14,109,883	12,818,887

See accompanying notes to the financial statements.

For and on behalf of the Management



HGS PROPERTIES LLC, USA
Statement of profit and loss for the year ended
(All amounts in US Dollars)

Particulars	Notes	March 31, 2020	March 31, 2019
Income			
Other income	7	1,592,337	1,592,337
Total Income		1,592,337	1,592,337
Expenses			
Finance cost	8	132,599	132,236
Depreciation and amortisation expense	9	201,415	201,415
Other Expenses	10	2,349	-
Total expenses		336,363	333,651
Profit before tax		1,255,974	1,258,686
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit for the year		1,255,974	1,258,686
Total comprehensive income for the year, net of tax		1,255,974	1,258,686

See accompanying notes to the financial statements.

For and on behalf of the Management



HGS PROPERTIES LLC, USA

Notes to the financial statements for the year ended March 31, 2020

1 Background

HGS Properties LLC is a wholly owned subsidiary of Hinduja Global Solutions Inc USA. The Company holds land and building. The Company does not have any other business operations.

a Basis of preparation of standalone financial statements

(i) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under sec. 133 of Companies Act 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All amounts included in the financial statements are reported in United States Dollar (USD) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/re-arranged, wherever necessary.

(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for financial instruments classified as fair value through other comprehensive income or fair value through profit or loss.

b Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- a those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and
- b those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

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

(iii) Derecognition of financial assets

A financial asset is derecognized only when:

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized 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 recognized to the extent of continuing involvement in the financial asset.

(iv) Impairment

The Company recognizes impairment provision when the recoverable amount of financial asset does not exceed its carrying amount.

c Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Particulars	Useful life
Building	Up to 39 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ expenses.

d Borrowings

Borrowings are initially recognised at Fair value, net of transaction cost incurred. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss.

e Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

f Interest Income

Other income comprises interest income on loan given. Interest income is recognized using the effective interest method.

g Finance Costs

Finance costs comprise interest cost on borrowings. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

HGS PROPERTIES LLC, USA
Notes to the financial statements
(All amounts in US Dollars)

2 Property, Plant and Equipment

	Land	Building	Total
<u>Year ended March 31, 2019</u>			
Gross carrying amount	1,584,243	7,855,200	9,439,443
Additions during the Year	-	-	-
Deductions	-	-	-
Closing gross carrying amount	1,584,243	7,855,200	9,439,443
Depreciation			
Accumulated depreciation	-	1,221,122	1,221,122
Charge for the year	-	201,415	201,415
Deductions	-	-	-
Closing gross carrying amount	-	1,422,537	1,422,537
Net carrying amount as at March 31, 2019	1,584,243	6,432,663	8,016,906
<u>Year ended March 31, 2020</u>			
Gross carrying amount	1,584,243	7,855,200	9,439,443
Additions during the Year	-	-	-
Deductions	-	-	-
Closing gross carrying amount	1,584,243	7,855,200	9,439,443
Depreciation			
Accumulated depreciation	-	1,422,537	1,422,537
Charge for the year	-	201,415	201,415
Deductions	-	-	-
Closing gross carrying amount	-	1,623,952	1,623,952
Net carrying amount as at March 31, 2020	1,584,243	6,231,248	7,815,491

HGS PROPERTIES LLC, USA
Notes to the financial statements
(All amounts in US Dollars)

3	Loan	As at March 31, 2020	As at March 31, 2019
	Loan to related parties	6,294,393	4,801,981
	Total	6,294,393	4,801,981

4	Other Equity	As at March 31, 2020	As at March 31, 2019
	Surplus in Statement of Profit and Loss		
	As per last Balance Sheet	8,660,595	7,401,909
	Add: Profit for the year	1,255,974	1,258,686
	Total	9,916,569	8,660,595

5 Borrowings

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Loans from Related Parties	4,177,973	4,142,951
Total non current borrowings	4,177,973	4,142,951
Aggregate Secured loans	-	-
Aggregate Unsecured loans	4,177,973	4,142,951

6 Trade Payables

	As at March 31, 2020	As at March 31, 2019
Trade Payables	15,341	15,341
Total	15,341	15,341

HGS PROPERTIES LLC, USA
Notes to the financial statements
(All amounts in US Dollars)

7 Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Other non-operating income	1,592,337	1,592,337
Total	1,592,337	1,592,337

8 Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Cash Credit and Other Facilities	132,599	132,236
Total	132,599	132,236

9 Depreciation and Amortisation expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	201,415	201,415
Total	201,415	201,415

10 Other Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Legal and Professional	2,349	-
Total	2,349	-