

HGS Colibrum LLC
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	362,252	533,224
Other Intangible assets	3	1,094,303	2,048,381
Financial Assets			
(i) Other financial assets	4	229,756	179,756
Total non-current assets		1,686,311	2,761,360
Current assets			
Financial Assets			
(i) Trade receivables	5	635,633	545,241
(ii) Cash and cash equivalents	6	74,951	445,855
(iii) Other financial assets	7	-	1,496
Other Current assets	8	30,782	190,499
Total current assets		741,366	1,183,091
Total assets		2,427,677	3,944,452
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	6,451	6,451
Other Equity	10	950,630	(27,452,276)
Total Equity		957,081	(27,445,825)
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	11	-	29,200,000
Total non-current liabilities		-	29,200,000
Current liabilities			
Financial Liabilities			
(i) Trade payables	12	831,763	1,255,890
(ii) Other financial liabilities	13	399,279	609,422
Provisions	14	102,550	149,865
Other current liabilities	15	137,004	175,100
Total current liabilities		1,470,596	2,190,277
Total Equity and Liabilities		2,427,677	3,944,452

See accompanying notes to the financial statements.

For and on behalf of the Management

Sd/-
Director

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

Particulars	Notes	March 31, 2020	March 31, 2019
Income			
Revenue from operations	16	5,706,435	3,953,860
Other income	17	10,207	1,477
Total Income		5,716,642	3,955,337
Expenses			
Employee benefits expense	18	6,914,737	5,467,116
Finance cost	19	325	7,127
Depreciation and amortisation expense	20	1,136,315	3,607,721
Other Expenses	21	2,154,146	3,531,191
Total expenses		10,205,523	12,613,155
Profit /(Loss) before tax		(4,488,881)	(8,657,818)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit /(Loss) for the year		(4,488,881)	(8,657,818)
Total comprehensive income for the year, net of tax		(4,488,881)	(8,657,818)
Basic and Diluted earning per share (par value of USD 0.001 each)		(1.36)	(2.62)

See accompanying notes to the financial statements.

For and on behalf of the Management

Sd/-
Director

HGS Colibrium LLC
Statement of Cash flow for the year ended
(All amounts are in US Dollars)

	March 31, 2020
Cash Flow from Operating Activities	
Loss before tax	(4,488,881)
	(4,488,881)
Adjustments for:	
Depreciation and amortization expenses	1,136,315
Provision for doubtful debts/ advances	303,330
Interest income classified as investing cash flows	(10,207)
Interest expenses classified as financing activities	325
Change in operating assets and liabilities:	
(Increase)/ Decrease in trade receivables	(393,722)
(Increase)/ Decrease in other financial assets	(50,000)
(Increase)/ Decrease in other current assets	159,717
Increase/ (Decrease) in trade payables	(424,127)
Increase/ (Decrease) in other financial liabilities	(210,144)
Increase/ (Decrease) in provisions	(47,314)
Increase/ (Decrease) in other liabilities	(38,095)
Cash generated/(used) from operating activities before tax	(4,062,803)
Income taxes paid (net)	-
Net cash generated/(used) from operating activities	(4,062,803)
Cash flows generated from investing activities	
Payments for property, plant and equipment	(11,264)
Interest received	11,701
Net cash generated/ (used) in investing activities	437
Cash flows from financing activities	
Buy-back of shares	(108,213)
Conversion of debt in to equity	33,000,000
Repayment of borrowings	(29,200,000)
Interest paid	(325)
Net cash generated/(used) in financing activities	3,691,462
Net increase/ (decrease) in cash and cash equivalents	(370,904)
Cash and cash equivalents at the beginning of the financial year	445,855
Cash and cash equivalents at end of the year	74,951

See accompanying notes to the financial statements.

For and on behalf of the Management

Sd/-
Director

HGS Colibrum LLC

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

1 Background

HGS Colibrum LLC (formerly as HGS Colibrum Inc.) is a premier provider of innovative software products as well as telesale and business process outsourcing for the health insurance industry. The Company's roots are in consulting for the health insurance industry, initially providing clients with strategic consulting services, custom software development, and CRM (Customer Relationship Management) implementation services.

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 recognises impairment provision when the recoverable amount of financial asset does not exceeds its carrying amount.

c Impairment

i) Impairment of non financial assets

Long-lived assets such as Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ii) Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on trade receivables including unbilled receivables measured at amortized cost. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate. Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on historical credit loss experience adjusted for forward looking information.

d Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

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.

HGS Colibrium LLC**Notes to the financial statements for the year ended March 31, 2020****f 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 period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period 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.

g Property, plant and equipment

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 derecognised 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
Leasehold improvement	10 years
Office Equipment	5 years
Computers	3 years
Furniture and Fixtures	7 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/ expense.

h Other Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Particulars	Useful life
Computer Software	3 years

i 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.

j Revenue recognition

The Company earns revenue primarily from business process management services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Nature of the services

The Company derives its revenue from business process management (BPM) which includes services like back office processing and contact center solutions. The Company provides BPM services, which typically involve hosting and consulting services for healthcare industry which it administers and manages those services for its client on an ongoing basis. The Company combines technology powered services in automation, analytics and digital with domain expertise focusing on back office processing and contract centers solutions to deliver transformational impact to clients.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

k Other Income

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

l 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.

m Cash Flow Statement

Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

2 Property, Plant and Equipment

	Furniture and Fixtures	Computers	Leasehold Improvements	Office Equipments	Total
Year ended March 31, 2019					
Gross carrying amount	699,804	1,392,750	669,735	795,783	3,558,071
Additions during the Year	1,463	8,513	-	-	9,976
Deductions	-	-	-	-	-
Closing gross carrying amount	701,267	1,401,263	669,735	795,783	3,568,047
Depreciation					
Accumulated depreciation	406,474	1,370,904	289,518	721,100	2,787,995
Charge for the year	100,871	17,914	66,670	61,373	246,827
Deductions	-	-	-	-	-
Closing gross carrying amount	507,344	1,388,817	356,188	782,473	3,034,823
Net carrying amount as at March 31, 2019	193,922	12,445	313,547	13,310	533,224
Year ended March 31, 2020					
Gross carrying amount	701,267	1,401,263	669,735	795,783	3,568,047
Additions during the Year	-	11,264	-	-	11,264
Deductions	-	-	-	-	-
Closing gross carrying amount	701,267	1,412,526	669,735	795,783	3,579,310
Depreciation					
Accumulated depreciation	507,344	1,388,817	356,188	782,473	3,034,823
Charge for the year	94,908	10,427	66,815	10,086	182,236
Deductions	-	-	-	-	-
Closing gross carrying amount	602,252	1,399,244	423,003	792,559	3,217,058
Net carrying amount as at March 31, 2020	99,014	13,282	246,732	3,224	362,252

3 Other Intangible Assets

	Computer Software
Year ended March 31, 2019	
Gross carrying amount	10,430,374
Additions during the Year	3,119
Deductions/ Adjustment	(3,762,318)
Closing gross carrying amount	6,671,175
Amortisation	
Gross carrying amount	3,643,582
Charge for the year	7,353
Deductions/ Adjustment	971,859
Closing accumulated Amortisation	4,622,794
Net carrying amount as at March 31, 2019	2,048,381
Year ended March 31, 2020	
Gross carrying amount	6,671,175
Additions during the Year	-
Deductions/ Adjustment	-
Closing gross carrying amount	6,671,175
Amortisation	
Gross carrying amount	4,622,794
Charge for the year	954,079
Deductions/ Adjustment	-
Closing accumulated Amortisation	5,576,872
Net carrying amount as at March 31, 2020	1,094,303

HGS Colibrum LLC
Notes to the financial statements
(All amounts in US Dollars)

4 Other financial asset

	As at March 31, 2020	As at March 31, 2019
Security Deposit	229,756	179,756
Total	229,756	179,756

5 Trade receivable (Unsecured, considered good)

	As at March 31, 2020	As at March 31, 2019
Trade receivables	1,100,126	627,336
Unbilled receivables	16,017	95,085
Less: Allowance for doubtful debts	(480,510)	(177,180)
Total	635,633	545,241
Current Portion	635,633	545,241
Non Current Portion	-	-

6 Cash and Cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with Banks in:		
- Current Account	74,951	445,855
Total	74,951	445,855

7 Other financial asset

	As at March 31, 2020	As at March 31, 2019
Interest Accrued	-	1,496
	-	1,496

8 Other Current assets

	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	30,215	93,989
Other receivables	567	96,510
Total	30,782	190,499

9 Share capital

	As at March 31, 2020	As at March 31, 2019
Authorized:		
3,300,514 (Previous Year - 3,300,514) Equity share of USD 0.001 each	3,301	3,301
3,150,014 (Previous Year - 3,150,014) Preference share of USD 0.001 each	3,150	3,150
Total	6,451	6,451
Issued, subscribed and Paid up :		
3,300,514 (Previous Year - 3,300,514) Equity share of USD 0.001 each	3,301	3,301
3,150,014 (Previous Year - 3,150,014) Preference share of USD 0.001 each	3,150	3,150
Total	6,451	6,451

(a) Reconciliation of number of Equity share

	As at March 31, 2020	As at March 31, 2019
Shares outstanding at the beginning	3,301	3,301
Shares outstanding at the end of the year	3,301	3,301

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

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% held	Number of Shares	% held
Hinduja Global Solutions Inc, USA	3,301	100.00	-	-
HGS International, Mauritius	-	-	3,301	95.20

The company has only one class of equity shares having a par value of USD 0.001 per share. In the event of liquidation of the company, the equity share holders are eligible to receive the remaining assets of company after distribution of all preferential amounts, in proportion of their shareholding.

During the year, HGS International Mauritius, (a wholly owned subsidiary of Hinduja Global Solutions Limited) which held , 95.2% equity interest in "HGS Colibrium Inc., USA" acquired an additional equity interest of 4.8% in "HGS Colibrium Inc., USA". Consequently, the shareholding of the HGS International, Mauritius in HGS Colibrium Inc., has increased to 100%. Further, HGS Colibrium Inc. has converted itself to HGS Colibrium LLC and effective March 31, 2020, post reorganization, HGS Colibrium LLC has become a subsidiary of "Hinduja Global Solutions Inc, USA (a wholly owned subsidiary of HGS International, Mauritius).

HGS Colibrium LLC
Notes to the financial statements
(All amounts in US Dollars)

10 Other Equity

	As at March 31, 2020	As at March 31, 2019
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	(30,645,990)	(21,988,173)
Less: Profit for the year	(4,488,881)	(8,657,818)
Less: Buy-back value of shares	(108,213)	-
	(35,243,084)	(30,645,990)
Additional paid up capital		
As per last Balance Sheet	3,193,714	3,193,714
Add: Conversion on parent company loan in to equity	33,000,000	-
	36,193,714	3,193,714
Total	950,630	(27,452,276)

11 Borrowings

	As at March 31, 2020	As at March 31, 2019
Borrowings - non-current		
Unsecured		
Loans from a Related Party	-	29,200,000
Total	-	29,200,000

HGS Colibrium LLC
Notes to the financial statements
(All amounts in US Dollars)

12 Trade Payables

	As at March 31, 2020	As at March 31, 2019
Trade Payables	831,763	1,255,890
Total	831,763	1,255,890

13 Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
Employee benefits payable	399,279	609,422
Total	399,279	609,422

14 Provisions

	As at March 31, 2020	As at March 31, 2019
Compensated Absences	102,550	149,865
Total	102,550	149,865

15 Other Current liabilities

	As at March 31, 2020	As at March 31, 2019
Advances from customers	-	27,821
Statutory dues payable	9,860	5,135
Deferred revenue	127,144	142,144
Total	137,004	175,100

HGS Colibrum LLC
Notes to the financial statements
(All amounts in US Dollars)

16 Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services		
Business Process Management	5,706,435	3,953,860
Total	5,706,435	3,953,860

17 Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	10,207	1,477
Total	10,207	1,477

18 Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	6,732,071	5,186,478
Contribution to provident and other funds	146,932	127,790
Staff welfare expenses	35,734	152,848
Total	6,914,737	5,467,116

19 Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Other Borrowing Costs	325	7,127
Total	325	7,127.24

20 Depreciation and Amortisation expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	182,236	246,827
Amortisation of Intangibles	954,079	3,360,894
Total	1,136,315	3,607,721

21 Other Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	15,439	19,046
Rent	325,999	341,300
Repairs and Maintenance - Others	3,148	8,907
Insurance	9,716	46,800
Rates and Taxes	7,341	13,698
Advertisement and Business Promotion	141,940	711,617
Communication	65,619	54,622
Travelling, Conveyance and Car Hire Charges	198,693	263,674
Legal and Professional	253,733	699,550
Training and Recruitment	31,185	104,805
Software Expenses	666,436	212,104
Provisions for Doubtful Debts/ Advances	303,330	348,904
Miscellaneous Expenses	131,567	706,164
Total	2,154,146	3,531,191