

SONATA SOFTWARE NORTH AMERICA INC.

Balance Sheet as at 31st March, 2017

		USD	
	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	3	300,000	300,000
Reserves and surplus	4	3,236,350	2,411,957
		3,536,350	2,711,957
NON-CURRENT LIABILITIES			
Long-term borrowings	5	5,016,667	7,883,333
Other long-term liabilities	6	1,300,000	1,300,000
		6,316,667	9,183,333
CURRENT LIABILITIES			
Trade payables	7	16,144,909	12,399,242
Other current liabilities	8	2,965,969	1,115,093
Short-term provisions	9	819,224	1,659,557
		19,930,102	15,173,892
TOTAL		29,783,119	27,069,182
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	10	347,561	361,976
		347,561	361,976
Non-current investments	11	13,477,555	13,485,555
Deferred tax asset	12	12,667	-
Long-term loans and advances	13	178,449	115,539
		13,668,671	13,601,094
CURRENT ASSETS			
Current investments	14	4,029	4,029
Trade receivables	15	6,831,999	7,402,224
Cash and cash equivalents	16	2,998,507	1,053,302
Short-term loans and advances	17	4,587,726	2,758,958
Other current assets	18	1,344,626	1,887,599
		15,766,887	13,106,112
TOTAL		29,783,119	27,069,182
See accompanying notes forming part of the financials statements			

Profit and loss statement for the year ended 31st March, 2017

USD

	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
REVENUE			
Revenue from operations	19.1	62,965,214	54,232,091
Other income	19.2	671,803	393,424
Total revenue		63,637,017	54,625,515
EXPENSES			
Employee benefit expenses	20	14,119,822	12,475,789
Other expenses	21	48,219,016	38,515,105
Total expenses		62,338,838	50,990,894
Earnings before interest, tax, depreciation and amortization (EBITDA)		1,298,179	3,634,621
Finance costs	22	282,634	98,757
Depreciation and amortization expense	10 (ii)	121,823	93,014
		404,457	191,771
Profit before tax		893,722	3,442,850
Current tax expense		81,996	1,316,732
Deferred tax		(12,667)	-
Net tax expense		69,329	1,316,732
Profit after tax		824,393	2,126,118
Earnings per share - Basic and Diluted (on \$ 1 per share)		2.75	7.09
See accompanying notes forming part of the financials statements			

Cash Flow Statement for the year ended 31st March, 2017

USD

	Year ended 31.03.2017	Year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	893,722	3,442,850
Adjustments for :		
Depreciation and amortization expense	121,823	93,014
Interest expense	282,634	98,757
Allowance for bad & doubtful trade receivables	340,418	148,595
Provision no longer required (net)	(568,862)	(366,062)
Interest income	(102,402)	(27,362)
Unrealized foreign exchange (gain) / loss	(5,394)	34,558
Operating Profit before working capital changes	961,939	3,424,350
Adjustments for :		
Decrease/(increase) in trade receivables	229,807	(1,006,044)
Decrease/(increase) in other current assets	542,973	(241,094)
Decrease/(increase) in long-term loans and advances	(62,910)	457,598
Decrease/(increase) in short-term loans and advances	(1,828,768)	(2,738,432)
(Decrease)/increase in trade payables	3,751,061	2,598,341
(Decrease)/increase in other current liabilities	1,850,878	819,193
(Decrease)/increase in long-term provisions	-	1,300,000
(Decrease)/increase in short-term provisions	(271,471)	1,646,791
Cash generated from operations	5,173,507	6,260,703
Direct taxes/advance tax paid (net)	(81,996)	(1,316,732)
Net cash from operating activities	5,091,511	4,943,971
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(107,408)	(120,880)
Purchase of non-current investments		
Investments in subsidiary	8,000	(11,960,892)
Interest received	102,402	27,362
Net cash flow from investing activities	2,994	(12,054,410)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	(2,866,666)	7,883,333
Interest paid	(282,634)	(98,757)
Net cash from financing activities	(3,149,300)	7,784,576
Net increase/(decrease) in cash and cash equivalents	1,945,205	674,138
Opening cash and cash equivalents	1,053,302	379,165
Closing cash and cash equivalents	2,998,507	1,053,302
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	2,998,507	1,053,302
	2,998,507	1,053,302

Notes forming part of financial statements

1: Corporate Information

Sonata Software North America ("SSNA" or the "company") is the company headquartered in Fremont, USA. Sonata Software Limited has 100% ownership of SSNA incorporated on 20th April 1992. The company is primarily engaged in the business of providing IT Services and Solutions to its customers in the US. It's a 100% holding by Sonata Software Limited.

2: Significant accounting policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c. Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on buildings, furniture and fixtures, vehicles and office equipment and plant and equipment on the straight-line method.

Leasehold land and leasehold improvements are amortized over primary lease period.

Intangible assets are amortized over their estimated useful life on straight-line method as follows:

Computer software- 3 years

Goodwill acquired on purchase of business- 5 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changes, if any.

d. Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from fixed price contracts are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenues are reported net of discounts.

e. Fixed Assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure if any on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets under development:

Expenditure on Research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

f. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Notes forming part of financial statements

	USD	
	As at 31.03.2017	As at 31.03.2016
3: Share capital		
Authorized		
Common Stock \$1 par value, 3,500,000 shares (Previous period Common Stock \$1 par value, 3,500,000 shares)	3,500,000	3,500,000
Issued, Subscribed and paid-up		
\$1 per value 300,000 shares each fully paid-up (Previous period \$1 par value 300,000 shares each fully paid-up)	300,000	300,000
Total	300,000	300,000
4: Reserves and surplus		
Surplus in Statement of Profit and Loss		
Opening balance	2,411,957	285,839
Profit for the year	824,393	2,126,118
Total	3,236,350	2,411,957
5: Long-term borrowings		
Term loan		
From banks	5,016,667	7,883,333
Total	5,016,667	7,883,333
6: Other long-term liabilities		
Purchase consideration payable to Halosys	1,300,000	1,300,000
Total	1,300,000	1,300,000
7: Trade payables		
Trade payables - other than acceptances	16,144,909	12,399,242
Total	16,144,909	12,399,242
8: Other current liabilities		
Current maturities of long term debt	2,866,667	716,667
Income received in advance (Unearned revenue)	-	188,561
Interest accrued and due on borrowings	15,441	13,556
Other payables		
Statutory remittances	49,405	67,503
Advances from customers	5,158	11,533
Reimbursable Expenses payable to related party	18,603	-
Others	10,695	117,273
Total	2,965,969	1,115,093
9: Short-term provisions		
Provision for employee benefits		
Provision for compensated absences	506,221	438,157
Provision for tax	313,003	1,221,400
Total	819,224	1,659,557

Notes forming part of financial statements

FIXED ASSETS

10 (i) Tangible assets

USD

Particulars	Gross block			Cost as at 31.03.2017	Accumulated depreciation			Net block		
	Cost as at 01.04.2016	Additions	Deductions / Adjustments		Upto 31.03.2016	For the Year	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Owned										
Leasehold improvements	2,806	-	-	2,806	2,806	-	-	2,806	-	-
	(2,806)	-	-	(2,806)	(2,806)	-	-	(2,806)	-	-
Plant and equipment	649,873	101,482	-	751,355	433,966	86,264	-	520,230	231,125	215,907
	(547,440)	(102,433)	-	(649,873)	(373,313)	(60,653)	-	(433,966)	(215,907)	-
Furniture and fixtures	166,857	3,551	-	170,408	62,065	21,996	-	84,061	86,347	104,793
	(154,173)	(12,684)	-	(166,857)	(42,193)	(19,871)	-	(62,065)	(104,793)	-
Office equipments	71,141	2,375	-	73,516	29,865	13,563	-	43,428	30,088	41,277
	(65,378)	(5,763)	-	(71,141)	(17,374)	(12,490)	-	(29,865)	(41,277)	-
Total	890,677	107,408	-	998,085	528,702	121,823	-	650,525	347,560	361,977
	(769,797)	(120,880)	-	(890,677)	(435,686)	(93,014)	-	(528,702)	(361,977)	-

10 (ii) Depreciation and amortization expense

USD

Particulars	For the year 31.03.2017	For the year 31.03.2016
Depreciation on Tangible assets	121,823	93,014
Total	121,823	93,014

Notes forming part of financial statements

	USD	
	As at 31.03.2017	As at 31.03.2016
11 : Non-current investments		
Trade, Long-term, unquoted and at cost		
In subsidiary companies		
Investment in equity instruments		
Rezopia Inc. - 512,296 shares	1,524,663	1,524,663
Halosys Technologies Inc. - 15,754,000 shares	2,883,946	2,891,946
Interactive Business Information Systems, Inc.- 500,250 shares	9,068,946	9,068,946
	13,477,555	13,485,555
12 : Deferred tax asset		
Tax effects on		
Others	12,667	-
Total	12,667	-
13 : Long-term loans and advances		
Unsecured, considered good		
Security deposits	23,410	19,562
Prepaid expenses	155,039	95,977
Total	178,449	115,539
14 : Current investments		
Non-trade		
Investments in Stock (unquoted)		
138 Common stock received from Principal Financial Group Inc @ \$29.20 each (Previous period - 138 Common stock received from Principal Financial Group Inc @ \$29.20 each)	4,029	4,029
Total	4,029	4,029
15 : Trade receivables		
Unsecured		
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	153,681
Considered doubtful	392,013	277,640
	392,013	431,321
Less : Provision for doubtful trade receivables	392,013	277,640
	-	153,681
Other trade receivables :		
Considered good	6,831,999	7,248,543
Considered doubtful	226,045	-
	7,058,044	7,248,543
Less : Provision for doubtful trade receivables	226,045	-
	6,831,999	7,248,543
Total	6,831,999	7,402,224

Notes forming part of financial statements

	USD	
	As at 31.03.2017	As at 31.03.2016
16: Cash and cash equivalents		
Balances with banks		
In Current accounts	2,898,497	1,053,302
In Deposit accounts	100,010	-
Total	2,998,507	1,053,302
17: Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties - Advances recoverable	719,430	111,021
Inter-corporate deposits	3,552,112	2,332,112
Security deposits	-	1,598
Loans and advances to employees	42,184	96,166
Prepaid expenses	31,131	113,455
Other recoverables	242,869	104,606
Total	4,587,726	2,758,958
18: Other current assets		
Unbilled revenue	1,214,870	1,860,241
Interest accrued on Inter-corporate deposits	129,756	27,358
Total	1,344,626	1,887,599
		USD
	Year ended 31.03.2017	Year ended 31.03.2016
19.1: Revenue from operations		
Revenue from software services	62,764,287	54,068,825
Revenue from hardware/software product and licenses	11,655	-
Other operating revenues	189,272	163,266
Total	62,965,214	54,232,091
19.2: Other income		
Interest income	102,402	27,362
Net gain on foreign currency transaction and translation	539	-
Provision no longer required written back	568,862	366,062
Total	671,803	393,424
20: Employee benefit expenses		
Salaries, wages, bonus and allowances	13,061,249	11,511,004
Contribution to 401K fund	155,692	139,337
Staff welfare expenses	902,881	825,448
Total	14,119,822	12,475,789

Notes forming part of financial statements

USD

	Year ended 31.03.2017	Year ended 31.03.2016
21 : Other expenses		
Power and fuel	8,058	7,066
Rent	328,294	263,776
Repairs and maintenance - Machinery	1,267	6,940
Insurance	18,839	10,991
Rates and taxes	442,888	323,346
Communication cost	307,132	232,216
Facility maintenance	15,164	19,523
Travelling and conveyance expenses	1,002,760	488,518
Sales commission	334,808	332,242
Software Project fees	37,729,020	30,082,080
Professional and technical fees	592,892	440,599
Legal fees	51,918	27,020
Insourcing professional fees	6,136,573	5,310,643
Net loss on foreign currency transaction and translation	-	67,877
Provision for doubtful trade receivables	340,418	148,595
Payment to auditors	20,640	25,400
Miscellaneous expenses	888,345	728,273
Total	48,219,016	38,515,105
22 : Finance costs		
Interest expense		
Borrowings	239,751	81,372
Other borrowing costs	42,883	17,385
Total	282,634	98,757
23 : Contingent Liability		
There is no contingent liabilities as at date of balance sheet.		
24. Commitments	31.03.2017	31.03.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
25 : Earnings Per Share		
Particulars	31.03.2017	31.03.2016
Profit attributable to equity shareholders (\$)	824,393	2,126,118
Weighted average number of Equity Shares of \$1/- each	300,000	300,000
Earnings Per Share - Basic and Diluted (\$)	2.75	7.09

Notes forming part of financial statements

26: Segment reporting

The Company is engaged in the business of providing IT Services and Solutions to its customers in the US which constitutes a single business segment and operates in a single geographical segment.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in AS 17 are not applicable to the Company.

27: Related party disclosure

i) Details of related parties :

Description of relationship	Names of related parties
a) Holding Company	Sonata Software Limited
b) Wholly owned Subsidiaries (WOS)	Halosys Technologies Inc. Interactive Business Information Systems Inc.
c) Subsidiary	Rezopia Inc., USA

ii) Transactions with related parties :

Particulars	USD			
	Holding Company		Subsidiaries/WOS	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Deputation cost / Service charges / Software project fees				
Sonata Software Limited	36,452,182	29,932,569	-	-
Interactive Business Information Systems Inc.	-	-	245,278	57,111
Rezopia Inc	-	-	1,031,560	92,400
Interest on inter corporate deposits received				
Interactive Business Information Systems Inc.	-	-	53,582	9,599
Halosys Technologies Inc.	-	-	42,230	20,340
Rezopia Inc	-	-	6,586	-
Guarantees received				
Sonata Software Limited	-	900,000	-	-
Commission paid on guarantees received				
Sonata Software Limited	42,883	17,385	-	-
Reimbursement of expenses paid				
Sonata Software Limited	139,371	84,297	-	-
Interactive Business Information Systems Inc.	-	-	258,504	-
Halosys Technologies Inc.	-	-	83,624	1,124
Rezopia Inc	-	-	429,558	100,416
Reimbursement of expenses received				
Sonata Software Limited	4,940	-	-	-
Inter Corporate Deposits given				
Halosys Technologies Inc.	-	-	150,000	1,132,112
Rezopia Inc.	-	-	300,000	-
Interactive Business Information Systems Inc.	-	-	770,000	1,200,000

Notes forming part of financial statements

USD

Particulars	Holding Company		Subsidiaries/WOS	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Balances outstanding at the end of the year				
Trade payables				
Interactive Business Information Systems Inc.	-	-	13,938	31,710
Rezopia Inc	-	-	1,031,560	-
Sonata Software Limited	12,570,123	9,123,848	-	-
Advances receivables				
Rezopia Inc	-	-	552,904	-
Halosys Technologies Inc.	-	-	144,277	1,168,755
Interactive Business Information Systems Inc.	-	-	140,454	9,599
Sonata Software Limited	4,966	-	-	-
Trade Receivables				
Sonata Software Limited	54,205	-	-	-
Inter corporate deposit given				
Interactive Business Information Systems Inc.	-	-	1,970,000	1,200,000
Halosys Technologies Inc.	-	-	1,282,112	1,132,112
Rezopia Inc	-	-	300,000	-
Advances payables				
Sonata Software Limited	18,603	102,170	-	-
Guarantees received				
Sonata Software Limited	9,000,000	9,000,000	-	-

28: Details of leasing arrangements

- i. The Company has entered into various operating lease agreements for office premises, residential premises, guest houses and certain assets. These leases are cancellable as well as non-cancellable and are for a period of 11 months to 120 months and may be renewed based on mutual agreement of the parties.

		USD	
		31.03.2017	31.03.2016
ii.	The total of future minimum lease payments are non-cancellable operating leases are as below :		
	Not later than one year	229,330	222,306
	Later than one year and not later than 5 years	97,286	210,395
	Later than 5 years	-	-
iii.	The lease payments recognised in the statement of Profit and Loss are as under :		
	Included in rent	328,294	263,776
	Less : Sub- Lease payment received	-	-
		<u>328,294</u>	<u>263,776</u>
iv.	There are no rents which are contingent in nature.		

- 29: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Directors' Report for the year ended 31st March, 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

The directors who served during the year were:

Mr S Ramarao

Mr T Saha (appointed 1 February 2017)

Mr R N Rege (resigned 30 January 2017)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Lubbock Fine, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 19 May 2017 and signed on its behalf.

Mr S Ramarao

Director

Independent Auditors' Report to the shareholders of Sonata Europe Limited

We have audited the financial statements of Sonata Europe Limited for the year ended 31 March 2017. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit or loss for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Lee Facey (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine

Chartered Accountants & Statutory Auditor

Paternoster House
65 St Paul's Churchyard
London EC4M 8AB
19 May 2017

Statement of Comprehensive Income for the year ended 31st March, 2017

	Note	2017	2016
		£	£
Turnover		3,916,065	2,873,639
Cost of sales		(3,811,199)	(2,463,113)
Gross profit		104,866	410,526
Administrative expenses		(52,808)	174,241
Operating profit		52,058	584,767
Interest receivable and similar income		-	129
Profit before tax		52,058	584,896
Tax on profit		(44,400)	(59,385)
Profit for the financial year		7,658	525,511

There was no other comprehensive income for 2017 (2016:£NIL).

Balance Sheet as at March 31, 2017

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	4	93,793	115,908
		93,793	115,908
Current assets			
Debtors	5	5,450,421	5,059,792
Cash at bank and in hand	6	1,107,607	3,291,303
		6,558,028	8,351,095
Creditors: amounts falling due within one year	7	(857,223)	(530,063)
Net current assets		5,700,805	7,821,032
Total assets less current liabilities		5,794,598	7,936,940
Net assets		5,794,598	7,936,940
Capital and reserves			
Called up share capital		2,460,360	4,610,360
Other reserves		3,235,440	3,235,440
Profit and loss account		98,798	91,140
		5,794,598	7,936,940

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr S Ramarao

Director

Date: 19 May 2017

The notes form part of these financial statements.

Statement of Changes in Equity for the year ended 31st March, 2017

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	4,610,360	3,235,440	(434,371)	7,411,429
Profit for the year	-	-	525,511	525,511
At 1 April 2016	4,610,360	3,235,440	91,140	7,936,940
Profit for the year	-	-	7,658	7,658
Shares redeemed during the year	(2,150,000)	-	-	(2,150,000)
At 31 March 2017	2,460,360	3,235,440	98,798	5,794,598

Cash Flow Statement for the year ended 31st March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the financial year	7,658	525,511
Adjustments for:		
Depreciation of tangible assets	22,115	1,692
Interest received	-	(129)
Taxation charge	44,400	59,385
(Increase)/decrease in debtors	(400,646)	3,422,819
Increase in creditors	292,943	11,959
Corporation tax (paid)	(166)	(30,443)
Net cash generated from operating activities	(33,696)	3,990,794
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(117,600)
Interest received	-	129
Net cash from investing activities	-	(117,471)
Cash flows from financing activities		
Redemption of preference shares	(2,150,000)	(875,000)
Net cash used in financing activities	(2,150,000)	(875,000)
Net (decrease)/increase in cash and cash equivalents	(2,183,696)	2,998,323

	2017	2016
	£	£
Cash and cash equivalents at beginning of year	3,291,303	292,980
Cash and cash equivalents at the end of year	1,107,607	3,291,303
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,107,607	3,291,303
	1,107,607	3,291,303

Notes forming part of financial statements

1. GENERAL INFORMATION

Sonata Europe Limited is a limited company incorporated in England and Wales. Its registered office is 11th Floor (West), The Mille, 1000 Great West Road, Brentford TW8 9HH.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Short term leasehold property	- Life of lease
Fixtures and fittings	-7 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 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 and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets

Notes forming part of financial statements

and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Notes forming part of financial statements

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 1 (2016-1).

4. TANGIBLE FIXED ASSETS

	Short term leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2016	93,005	24,595	1,174	118,774
At 31 March 2017	93,005	24,595	1,174	118,774
Depreciation				
At 1 April 2016	1,423	269	1,174	2,866
Charge for the period on owned assets	18,600	3,515	-	22,115
At 31 March 2017	20,023	3,784	1,174	24,981
Net book value				
At 31 March 2017	72,982	20,811	-	93,793
At 31 March 2016	91,582	24,326	-	115,908

5. DEBTORS

	2017	2016
	£	£
Due after more than one year		
Other debtors	39,780	39,780
	39,780	39,780
Due within one year		
Trade debtors	521,714	590,360
Amounts owed by group undertakings	4,554,198	-
Other debtors	32,034	39,141
Prepayments and accrued income	302,695	4,390,511
	5,450,421	5,059,792

6. CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash at bank and in hand	1,107,607	3,291,303
	1,107,607	3,291,303

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	33,200	3,795
Amounts owed to group undertakings	490,494	430,981
Corporation tax	34,217	-
Other taxation and social security	8,390	6,914
Accruals and deferred income	290,922	88,373
	857,223	530,063

8. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2017 the Company had future minimum lease payments under non cancellable operating leases as follows:

	2017	2016
	£	£
Not later than 1 year	32,606	21,617
Later than 1 year and not later than 5 years	91,163	123,588
	123,769	145,205

9. SHARE CAPITAL

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
800 Ordinary shares of £1 each	800	800
2,459,560 (2016 4,609,560) 2% redeemable convertible preference shares of £1 each	2,459,560	4,609,560
	2,460,360	4,610,360

The preference shares have no voting rights and the dividend on them is non cumulative and payable subject to the availability of distributable funds.

The preference shares are convertible into ordinary shares on such terms and conditions as determined by the company.

On 13 April 2016, 2,150,000 preference shares of £1 each were redeemed at par.

Notes forming part of financial statements

10. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Sonata Software Limited, a company incorporated in India and listed on the Bombay Stock Exchange. Copies of the groups accounts of Sonata Software Limited can be obtained from APS Trust Building, 1/4 Bull Temple Road, N R Colony, Bangalore 560 019, India.

11. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

Detailed Profit and Loss Account for the year ended 31 march 2017

	2017	2016
	£	£
Turnover	3,916,065	2,873,639
Cost of sales	(3,811,199)	(2,463,113)
Gross profit	<u>104,866</u>	<u>410,526</u>
Less: overheads		
Administration expenses	(17,513)	192,574
Establishment expenses	(35,295)	(18,333)
Operating profit	<u>52,058</u>	<u>584,767</u>
Interest receivable	-	129
Tax on profit on ordinary activities	(44,400)	(59,385)
Profit for the year	<u><u>7,658</u></u>	<u><u>525,511</u></u>

Schedule to the Detailed Accounts for the year ended 31 march 2017

	2017	2016
	£	£
Turnover		
UK Sales	-	102,924
Overseas Sales	3,916,065	2,770,715
	<u>3,916,065</u>	<u>2,873,639</u>
Cost of sales		
Purchases	3,811,199	2,463,113
	<u>3,811,199</u>	<u>2,463,113</u>

	2017	2016
	£	£
Administration expenses		
Directors national insurance	26,233	28,623
Directors salaries	226,783	215,366
Staff salaries	28,315	61,898
Staff national insurance	3,721	7,609
Staff welfare	2,788	333
Commissions payable	-	5,456
Entertainment	2,663	4,058
Hotels, travel and subsistence	68,245	14,443
Telephone and fax	315	1,587
Advertising and promotion	4,750	60
Legal and professional	51,721	26,642
Auditors' remuneration	6,475	7,500
Accountancy fees	14,298	17,219
Equipment hire	-	268
Bank charges	8,496	5,493
Bad debts	54,568	-
Difference on foreign exchange	(540,894)	(605,297)
Sundry expenses	84	(151)
Rates	25,132	7,703
Insurances	2,552	1,082
Repairs and maintenance	9,153	5,842
Depreciation short term leasehold property	18,600	1,423
Depreciation fixtures and fittings	3,515	269
	<u>17,513</u>	<u>(192,574)</u>
Establishment		
Rent	35,295	18,333
	<u>35,295</u>	<u>18,333</u>
Interest receivable		
Bank interest receivable	-	129
	<u>-</u>	<u>129</u>

The report of the directors for the year ended 31st March, 2017

The directors have pleasure in presenting their report and the financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is providing value-based information technology (IT) solutions to customers and its range of services includes IT consulting, product engineering services, application development, application management, managed testing, business intelligence, infrastructure management, packaged applications and travel solutions.

RESULTS

The results for the year and the Company's financial position for the year ended 31 March 2017 are shown in the attached financial statements.

DIRECTORS AND THEIR INTEREST

As at 31 March 2017, the directors of the company were Mr. Srikar Reddy Palem and Mr. Anantha Padmanabhan and they did not hold any shares in the company.

INDEPENDENT AUDITORS

Russell Bedford (Dubai) Limited have indicated their willingness to remain in office and a resolution to re-appoint them as auditor will be proposed at the Annual General Meeting.

Approved by the board on and signed on its behalf by

Director

Independent Auditors' Report for the year ended 31st March, 2017

To the shareholder of Sonata Software FZ LLC

Opinion

We have audited the financial statements of Sonata Software FZ LLC (the "Company"), which comprise the statement of financial position as at 31 March 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 31 March 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Emphasis of Matter – Going Concern

Without qualifying our opinion we draw attention to note 2, which explains that these financial statements have been prepared on a going concern basis notwithstanding that the Company has incurred accumulated losses of USD 602,721 as at 31 March 2017. The continuation of the Company's operations is dependent upon future profitable operations, continued financial support of the Parent Company and the ability of the Company to generate sufficient cash flows to meet its future obligations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Russell Bedford (Dubai) Limited

Dubai, United Arab Emirates

Statement Of Financial Position as at 31st March, 2017

USD

	Notes	31 March 2017	31 March 2016
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	5	487	219
CURRENT ASSETS			
Trade and other receivables	6	834,987	316,791
Amounts due from related parties	11	384,136	308,835
Work in progress	7	345,727	233,127
Cash and cash equivalents	8	229,551	376,426
Total current assets		1,794,401	1,235,179
Total assets		1,794,888	1,235,398
LIABILITIES			
NON-CURRENT LIABILITIES			
Provision for employees' end of service benefits	10	31,133	27,631
CURRENT LIABILITIES			
Amounts due to related parties	11	2,153,659	518,307
Trade and other payables	9	76,688	88,903
Total current liabilities		2,230,347	607,210
Total liabilities		2,261,480	634,841
EQUITY			
Share capital	12	136,129	136,129
Retained earnings		(602,721)	464,428
Total equity		(466,592)	600,557
Total equity and liabilities		1,794,888	1,235,398

These financial statements were approved by the board and authorised for issue on and are signed on their behalf by:

Director

Statement Of Comprehensive Income for the year ended 31st March, 2017

		USD	
	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue		2,973,802	2,189,011
Cost of services		(3,696,335)	(2,182,221)
GROSS (LOSS) / PROFIT FOR THE YEAR		(722,533)	6,790
General and administrative expenses		(344,616)	(274,429)
NET LOSS FOR THE YEAR	4	(1,067,149)	(267,639)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,067,149)	(267,639)

Statement Of Changes In Equity for the year ended 31st March, 2017

	USD		
	Issued share capital	Retained earnings USD	Total USD
Balance at 1 April 2015	136,129	732,067	868,196
Loss for the year	-	(267,639)	(267,639)
Balance at 31 March 2016	136,129	464,428	600,557
Balance at 1 April 2016			
	136,129	464,428	600,557
Loss for the year	-	(1,067,149)	(1,067,149)
Balance at 31 March 2017	136,129	(602,721)	(466,592)

Statement Of Cash Flows for the year ended 31st March, 2017

USD

	Year ended 31 March 2017	Year ended 31 March 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(1,067,149)	(267,639)
Adjustments for:		
Depreciation and amortisation	277	865
Provision for employees' end of service benefits	17,448	16,365
	<u>(1,049,424)</u>	<u>(250,409)</u>
CHANGES IN WORKING CAPITAL		
Change in trade and other receivables	(518,196)	1,278,537
Change in work in progress	(112,600)	(46,928)
Change in amounts due from related parties	(75,301)	(42,609)
Change in amounts due to related parties	1,635,352	(671,403)
Change in trade and other payables	(12,215)	(24,655)
Cash (used in) / generated from operating activities	(132,384)	242,533
Employees' end of service benefits paid	(13,946)	-
NET CASH FLOWS (USED IN) / GENERATED FROM OPERATING ACTIVITIES	<u>(146,330)</u>	<u>242,533</u>
CASH FLOWS USED IN OPERATING ACTIVITIES		
Purchase of tangible assets	(545)	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(146,875)</u>	<u>242,533</u>
CASH AND CASH EQUIVALENTS		
At the beginning of the year	376,426	133,893
At the end of the year	<u>229,551</u>	<u>376,426</u>

Notes forming part of financial statements

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Sonata Software FZ LLC (“the company”) is registered in Dubai Internet City (“DIC”) in the Emirate of Dubai, United Arab Emirates and the company is wholly owned by Sonata Software Limited (“the Parent Company”), a company registered in India. The principal activity of the company is providing value-based information technology solutions to customers and its range of services includes IT consulting, product engineering services, application development, application management, managed testing, business intelligence, infrastructure management, packaged applications and travel solutions.

The registered address of the company is Office # 2117, Al Shatha Tower, Dubai Internet City, P.O. Box 502818, Dubai, United Arab Emirates. The company was incorporated on the 11 January 2009.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis notwithstanding that the Company has incurred accumulated losses of USD 602,721 as at 31 March 2017. The continuation of the Company’s operations is dependent upon future profitable operations, continued financial support of the Parent Company and the ability of the Company to generate sufficient cash flows to meet its future obligations. The Parent Company has provided an undertaking that it will continue to provide or arrange such financial support as would be necessary for the Company to meet its obligations as they fall due in the foreseeable future. Should the Company be unable to operate, adjustments would have to be made to reduce the assets to their recoverable amount and to provide for any further liabilities which might arise.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The financial statements are presented in United States Dollar (“USD”), which is the company’s functional currency. All values are rounded off to the nearest USD, unless otherwise indicated.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS’s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

Foreign currency translation

Transactions in foreign currencies are translated to the functional currency of the company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

IASB Standards and Interpretations issued but not adopted

A number of new standards, amendments to standards and interpretations are either applicable or effective for accounting periods starting after 31 March 2017, and have not been adopted in preparing these financial statements:

IFRS 1, IAS 28	Annual improvements to IFRS Standards 2014-2016 cycle (effective for annual periods beginning on or after 1 January 2018)
IFRS 2	Clarification on the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018)
IFRS 4	Insurance contracts (overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date)
IFRS 9	Requirements for classification and measurement, impairment, general hedge accounting and derecognition of financial instruments (effective for annual periods beginning on or after 1 January 2018)
IFRS 10	Sale or contribution of assets between an investor and its associate or joint venture (effective date deferred indefinitely)
IFRS 15	Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)
IFRS 16	Leases (applicable to annual reporting periods beginning on or after 1 January 2019)
IAS 40	Clarification on transfers of property to, or from, investment property (effective for annual periods beginning on or after 1 January 2018)
IFRIC 22	Foreign currency transactions and advance consideration (applicable to annual reporting periods beginning on or after 1 January 2018)

Management has assessed the impact of the new standards, amendments to the standards and interpretations and concluded that they are either not relevant to the company or their impact is not material to its financial statements.

The accounting policies set-out below have been applied consistently to periods presented in these financial statements.

Tangible assets

All tangible assets are stated at historical cost less depreciation and provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected

Notes forming part of financial statements

to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

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

	Estimated useful life (in years)
Computers and peripherals	3
Office equipment	7
Furniture and fixtures	7

Leasehold improvements and major renovations are amortised over the term of the lease or the estimated useful life of the improvements, whichever is shorter.

Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 to sell and value in use.

Financial assets

Financial assets are classified into the following specified categories: Loans and receivables, and cash and cash equivalents. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities

The company classifies non-derivative financial liabilities as trade and other payables. Trade and other payables are recognised initially at fair value. Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at initial valuation, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

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.

Impairment and recoverability of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income.

Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income.
- For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised 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 a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

Sales of services

Revenue is recognised on the sale of services when the service has been rendered.

Costs and expenses

Costs and expenses are recognised when incurred.

Related party transactions and relationships

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between entities, which are under common control with the reporting enterprise or between the reporting enterprise and its key management personnel, directors, or its shareholder. Transactions between related parties are accounted for at agreed terms. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Notes forming part of financial statements

4. NET LOSS

Net loss is stated after charging:

	USD	
	Year ended 31 March 2017	Year ended 31 March 2016
Staff costs	625,110	746,000
Office rent	24,772	23,383
Auditors' remuneration	18,000	19,997
Depreciation	277	865

5. TANGIBLE ASSETS

Tangible assets at 31 March consisted of:

	USD				
	Leasehold improvements	Office equipment	Computers and peripherals	Furniture and fixtures	Total
Cost					
At 1 April 2015	2,852	451	8,268	4,691	16,262
At 31 March 2016	2,852	451	8,268	4,691	16,262
At 1 April 2016	2,852	451	8,268	4,691	16,262
Additions during the year	-	-	-	545	545
At 31 March 2017	2,852	451	8,268	5,236	16,807
Depreciation					
At 1 April 2015	2,852	399	7,786	4,141	15,178
Charge during the year	-	52	263	550	865
At 31 March 2016	2,852	451	8,049	4,691	16,043
At 1 April 2016	2,852	451	8,049	4,691	16,043
Charge during the year	-	-	219	58	277
At 31 March 2017	2,852	451	8,268	4,749	16,320
Net book value					
At 31 March 2017	-	-	-	487	487
At 31 March 2016	-	-	219	-	219

6. TRADE AND OTHER RECEIVABLES

	USD	
	2017	2016
Trade receivables	798,253	264,813
Prepayments	12,199	909
Other receivables and deposit	24,535	51,069
	834,987	316,791

7. WORK IN PROGRESS

	USD	
	2017	2016
Work in progress	345,727	233,127

Notes forming part of financial statements

8. CASH AND CASH EQUIVALENTS

This includes cash balances in United States Dollar ("USD"), Qatari Rial ("QAR"), and United Arab Emirates Dirham ("AED") current accounts with a commercial bank in the United Arab Emirates.

9. TRADE AND OTHER PAYABLES

	USD	
Amounts falling due within one year	2017	2016
Accrued expenses	38,717	40,801
Accrued salaries and benefits	25,356	22,048
Accrued sales commission	12,615	26,054
	<u>76,688</u>	<u>88,903</u>

10. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	USD	
	2017	2016
Balance at beginning of the year	27,631	11,266
Provisions during the year	17,448	16,365
Payments made during the year	(13,946)	-
	<u>31,133</u>	<u>27,631</u>

11. RELATED PARTY TRANSACTIONS

The company, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. These transactions have been carried out on the basis of terms agreed between the company and the management of such related parties.

Details of the company's related party transactions are as follows:

	USD	
	Year ended 31 March 2017	Year ended 31 March 2016
Operational charges to a related party	3,624,134	1,370,779
Reimbursement of expenses	2,622	46,435
Amounts due from related parties		
	2017	2016
Sonata Software (Qatar)	351,765	280,413
Mohamed Nasser Abdullah Al Misnad	28,422	28,422
Sonata Software Limited	3,949	-
	<u>384,136</u>	<u>308,835</u>
Amounts due to related parties		
Sonata Software Limited	2,144,154	518,307
Sonata Information Technologies Ltd.	9,505	-
	<u>2,153,659</u>	<u>518,307</u>

Notes forming part of financial statements

12. SHARE CAPITAL

The details of share capital at 31 March 2017 are shown below:

	Number of Shares	Amount USD
Authorised shares of AED 1,000 each	500	136,129
Issued and paid	500	136,129

13. FINANCIAL INSTRUMENTS

	2017 Carrying amount USD	2016 Fair value USD	Carrying amount USD	Fair value USD
Financial assets				
Cash and cash equivalents	229,551	229,551	376,426	376,426
Amounts due from related parties	384,136	384,136	308,835	308,835
Trade and other receivables	822,788	822,788	315,882	315,882
Financial liabilities				
Trade and other payables	76,688	76,688	88,903	88,903
Amounts due to related parties	2,153,659	2,153,659	518,307	518,307
Provision for employees' end of service benefits	31,133	31,133	27,631	27,631

The fair value of financial assets and liabilities approximate the book value at 31 March 2017.

Accounting policies for financial assets and financial liabilities are set out in note 3.

The main risks arising from the company's financial instruments are credit risk and liquidity risk.

The company manages these risks as follows:

Credit risk

The company scrutinises all potential customers to assess the ability of the customer to pay before offering credit.

Liquidity risk

The Company is cash positive and aims to ensure that sufficient funds are always available for its operating activities. Whilst there is no requirement for additional working capital at present, the management will continue to monitor the company's cash requirements.

14. ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year comprise of residual value and useful lives of tangible assets and impairment of trade receivables.

15. CAPITAL RISK MANAGEMENT

The capital is managed by the company in a way that it is able to continue as a going concern while maximising returns to shareholders. The capital structure of the company consists of equity attributable to equity holders, comprising of authorised, issued and paid up capital. As a risk management policy, the company reviews its cost of capital and risks associated with capital. The company balances its capital structure based on the above review.

16. OPERATING LEASE COMMITMENTS

The company has entered into non-cancellable operating leases with a term of one year.

The total of the future minimum lease payments are as follows:

	2017	2016
Less than one year	147,342	17,385
Two to five years	53,536	-

USD

SONATA SOFTWARE QATAR

The report of the general managers for the year ended 31st March, 2017

The general managers have pleasure in presenting their report and the financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is software development and information technology consulting.

RESULTS AND DIVIDENDS

The results for the year and the Company's financial position for the year ended 31 March 2017 are shown in the attached financial statements.

GENERAL MANAGERS AND THEIR INTEREST

As at 31 March 2017, the general managers of the company are Mr. Anantha Balasubramanian and Mr. Mysore Prasad and they do not hold any shares in the Company. Ms. Priya Jaswani resigned on 7 October 2016 and does not hold any shares in the Company.

INDEPENDENT AUDITORS

Russell Bedford (Dubai) Limited have indicated their willingness to remain in office and a resolution to re-appoint them as auditor will be proposed at the Annual General Meeting.

Approved on and signed on behalf of the general managers by

General Manager

Independent auditors' report to the shareholders as at 31st March, 2017

To the shareholders of Sonata Software (Qatar)

Opinion

We have audited the financial statements of Sonata Software (Qatar) (the "Company"), which comprise the statement of financial position as at 31 March 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 31 March 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Emphasis of Matter – Going Concern

Without qualifying our opinion we draw attention to note 2, which explains that these financial statements have been prepared on a going concern basis notwithstanding that the Company has incurred accumulated losses of USD 402,207 as at 31 March 2017. The continuation of the Company's operations is dependent upon future profitable operations, continued financial support of the shareholders and the ability of the Company to generate sufficient cash flows to meet its future obligations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Russell Bedford (Dubai) Limited
Dubai, United Arab Emirates

Statement of financial position as at 31st March, 2017

USD

	Notes	31 March 2017	31 March 2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	25,413	34,622
Other receivables	6	7,659	8,446
Total assets		33,072	43,068
LIABILITIES			
CURRENT LIABILITIES			
Other payables	7	28,434	35,386
Amounts due to a related party	8	351,765	280,413
Total liabilities		380,199	315,799
EQUITY			
Share capital	9	55,080	55,080
Retained earnings		(402,207)	(327,811)
Total equity		(347,127)	(272,731)
Total equity and liabilities		33,072	43,068

These financial statements were approved by the general managers and authorised for issue on and are signed on their behalf by:

General Manager

Statement of comprehensive income for the year ended 31st March, 2017

		USD	
	Note	Year ended 31 March 2017	Year ended 31 March 2016
Interest income		17	2
General and administrative expenses		(74,413)	(65,037)
NET LOSS FOR THE YEAR	4	(74,396)	(65,035)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(74,396)	(65,035)

Statement Of Changes In Equity for the year ended 31st March 2017

	USD		
	Issued share capital	Retained earnings USD	Total USD
Balance at 1 April 2015	55,080	(262,776)	(207,696)
Loss for the year	-	(65,035)	(65,035)
Balance at 31 March 2016	<u>55,080</u>	<u>(327,811)</u>	<u>(272,731)</u>
Balance at 1 April 2016	55,080	(327,811)	(272,731)
Loss for the year	-	(74,396)	(74,396)
Balance at 31 March 2017	<u>55,080</u>	<u>(402,207)</u>	<u>(347,127)</u>

Statement Of Cash Flows for the year ended 31st March, 2017

USD

	Year ended 31 March 2017	Year ended 31 March 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(74,396)	(65,035)
CHANGES IN WORKING CAPITAL		
Change in other receivables	787	(8,446)
Change in amounts due to a related party	71,352	42,609
Change in other payables	(6,952)	22,559
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(9,209)	(8,313)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,209)	(8,313)
CASH AND CASH EQUIVALENTS		
At the beginning of the year	34,622	42,935
At the end of the year	25,413	34,622

Notes forming part of financial statements

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Sonata Software (Qatar) (“the Company”) is a limited liability company and is registered in the Qatar Chamber of Commerce and Industry in Doha, Qatar. The principal activity of the company is software development and information technology consulting.

The registered office address of the Company is Office 543, Regus Business Centre, 5th Floor, Gath Building, Fereej Bin Mahmood South, Near Ramada Junction, P.O Box 47095, Doha, Qatar

The company was incorporated on 7 June 2011.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis notwithstanding that the Company has incurred accumulated losses of USD 402,207 as at 31 March 2017. The continuation of the Company’s operations is dependent upon future profitable operations, continued financial support of the shareholders and the ability of the Company to generate sufficient cash flows to meet its future obligations. The shareholders have provided an undertaking that it will continue to provide or arrange such financial support as would be necessary for the Company to meet its obligations as they fall due in the foreseeable future. Should the Company be unable to operate, adjustments would have to be made to reduce the assets to their recoverable amount and to provide for any further liabilities which might arise.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The financial statements are presented in United States Dollars (“USD”), which is the Company’s functional currency. All values are rounded off to the nearest USD, unless otherwise indicated.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Foreign currency translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in

foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

IASB Standards and Interpretations issued but not adopted

A number of new standards, amendments to standards and interpretations are either applicable or effective for accounting periods starting after 31 March 2017, and have not been adopted in preparing these financial statements:

IFRS 1, IAS 28	Annual improvements to IFRS Standards 2014-2016 cycle (effective for annual periods beginning on or after 1 January 2018)
IFRS 2	Clarification on the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018)
IFRS 4	Insurance contracts (overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date)
IFRS 9	Requirements for classification and measurement, impairment, general hedge accounting and derecognition of financial instruments (effective for annual periods beginning on or after 1 January 2018)
IFRS 10	Sale or contribution of assets between an investor and its associate or joint venture (effective date deferred indefinitely)
IFRS 15	Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)
IFRS 16	Leases (applicable to annual reporting periods beginning on or after 1 January 2019)
IAS 40	Clarification on transfers of property to, or from, investment property (effective for annual periods beginning on or after 1 January 2018)
IFRIC 22	Foreign currency transactions and advance consideration (applicable to annual reporting periods beginning on or after 1 January 2018)

Management has assessed the impact of the new standards, amendments to the standards and interpretations and concluded that they are either not relevant to the Company or their impact is not material to its financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future year affected.

The accounting policies set-out below have been applied consistently to periods presented in these financial statements.

Financial assets

Financial assets are classified into the following specified categories: loans and receivables, and cash and cash

Notes forming part of financial statements

equivalents. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities

The Company classifies non-derivative financial liabilities as trade and other payables. Trade and other payables are recognised initially at fair value. Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at initial valuation, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

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.

Impairment and recoverability of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income.

Impairment is determined as follows:

- a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income.

- b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised 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 a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

Interest income

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

Costs and expenses

Costs and expenses are recognised when incurred.

Related party transactions and relationships

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between entities, which are under common control with the reporting enterprise or between the reporting enterprise and its key management personnel, directors, or its shareholder. Transactions between related parties are accounted for at agreed terms. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Notes forming part of financial statements

4. NET LOSS

Net loss is stated after charging:

	Year ended 31 March 2017	Year ended 31 March 2016
Office rent	-	41,296
Depreciation	12,718	9,900

USD

5. CASH AND CASH EQUIVALENTS

This includes cash balances held in a Qatari Riyal current account with a commercial bank in Qatar.

6. OTHER RECEIVABLES

	2017 USD	2016 USD
Prepayment	3,784	2,944
Deposit	3,875	5,502
	7,659	8,446

7. OTHER PAYABLES

Amounts falling due within one year	2017 USD	2016 USD
Accrued expenses	28,434	35,386

8. RELATED PARTY TRANSACTIONS

The Company, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. These transactions have been carried out on the basis of terms agreed between the company and the management of such related parties.

Details of the Company's related party transactions are as follows:

	Year ended 31 March 2017	Year ended 31 March 2016
Reimbursement of expenses	71,352	42,609
Amounts due to a related party		
	2017 USD	2016 USD
Sonata Software FZ LLC	351,765	280,413

USD

9. SHARE CAPITAL

The details of share capital at 31 March 2017 are shown below:

	Number of Shares	Amount USD
Authorised shares of QAR 1,000 each	200	55,080
Issued and paid	200	55,080

Notes forming part of financial statements

10. FINANCIAL INSTRUMENTS

	2017		2016	
	Carrying amount USD	Fair value USD	Carrying amount USD	Fair value USD
Financial assets				
Cash and cash equivalents	25,413	25,413	34,622	34,622
Other receivables	3,875	3,875	5,502	5,502
Financial liabilities				
Other payables	28,434	28,434	35,386	35,386
Amounts due to a related party	351,765	351,765	280,413	280,413

The fair value of financial assets and liabilities approximate the book value at 31 March 2017.

Accounting policies for financial assets and financial liabilities are set out in note 3.

The main risk arising from the Company's financial instruments is liquidity risk.

The Company manages this risk as follows:

Liquidity risk

The Company is cash positive and aims to ensure that sufficient funds are always available for its operating activities. Whilst there is no requirement for additional working capital at present, the management will continue to monitor the company's cash requirements.

11. CAPITAL RISK MANAGEMENT

The capital is managed by the Company in a way that it is able to continue as a going concern while maximising returns to shareholders.

The capital structure of the Company consists of equity attributable to equity holders, comprising of authorised, issued and paid up capital.

As a risk management policy, the Company reviews its cost of capital and risks associated with capital. The Company balances its capital structure based on the above review.

Balance Sheet as at 31st March, 2017

		USD	
	Note No.	As At 31.03.2017	As At 31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	3	86	86
Reserves and surplus	4	30,288	(140,187)
		30,374	(140,101)
CURRENT LIABILITIES			
Short-term borrowings	5	300,000	-
Trade payables	6	278,851	567,838
Other current liabilities	7	559,490	115,999
		1,138,341	683,837
TOTAL		1,168,715	543,736
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	8	-	790
		-	790
CURRENT ASSETS			
Trade receivables	9	1,031,560	152,909
Cash and cash equivalents	10	135,410	379,806
Short-term loans and advances	11	1,745	10,231
		1,168,715	542,946
TOTAL		1,168,715	543,736

See accompanying notes forming part of financial statements

Statement of Profit and Loss for the year ended 31st March, 2017

USD

	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
INCOME			
Revenue from operations	12.1	1,475,439	2,096,295
Other income	12.2	13,988	102,524
Total revenue		1,489,427	2,198,819
EXPENSES			
Employee benefit expenses	13	379,515	20,908
Other expenses	14	932,851	2,255,926
Finance costs	15	6,586	-
		1,318,952	2,276,834
Profit before tax		170,475	(78,015)
Tax expense			
Current tax expense		-	-
Net tax expense		-	-
Profit after tax		170,475	(78,015)
Earnings per share - Basic and Diluted (on \$ 1 per share)	20	0.20	(0.09)

See accompanying notes forming part of financial statements

Cash Flow Statement for the year ended 31st March, 2017

USD

	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	170,475	(78,015)
Adjustments for :		
Interest expense	6,586	-
Provision for doubtful trade receivable	-	1,430
Fixed Assets written off	790	-
Operating Profit before working capital changes	177,851	(76,585)
Adjustments for :		
Decrease/(increase) in trade receivables	(878,652)	349,354
Decrease/(increase) in short-term loans and advances	8,486	4,981
(Decrease)/increase in trade payables	(288,987)	(17,411)
(Decrease)/increase in other current liabilities	436,905	93,854
(Decrease)/increase in short-term provisions	-	-
Cash generated from operations	(544,396)	354,193
Direct taxes/advance tax paid	-	-
Net cash from operating activities	(544,396)	354,193
Net cash from operating activities after exceptional items	(544,396)	354,193
B. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) from/(of) short-term borrowings (net)	300,000	-
Net cash flow from financing activities	300,000	-
Net increase/(decrease) in cash and cash equivalents	(244,396)	354,193
Opening cash and cash equivalents	379,806	25,613
Closing cash and cash equivalents	135,410	379,806
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	135,410	379,806
	135,410	379,806

See accompanying notes forming part of financial statements

Notes forming part of financial statements

1: Corporate Information

Rezopia Inc. ("Rezopia" or the "Company") is headquartered in State of Delaware, USA. Sonata Software Limited, through its wholly owned subsidiary, Sonata Software North America Inc. has acquired 60% ownership of Rezopia Inc on 22nd August 2014. The company is first cloud based end to end reservations, contact, and operative and distribution management systems platform for travel providers.

2: Significant accounting policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

These financial statements are prepared on the basis of "Going Concern" assumption based on the financial support provided by the holding company Sonata Software North America Inc. to meet all the financial obligations and working capital requirement of the company over the foreseeable future.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could

differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c. Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from fixed price contracts are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Maintenance contracts are recognised pro-rata over the period of the contract.

Revenues are reported net of discounts.

d. Fixed Assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure if any on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Notes forming part of financial statements

USD

	As At 31.03.2017	As At 31.03.2016
3 : Share capital		
Issued, Subscribed and paid-up		
\$0.0001 per value 860,000 shares each fully paid-up	86	86
Total	86	86
4 : Reserves and surplus		
Surplus in Statement of Profit and Loss		
Opening balance	(140,187)	(62,172)
Profit for the year	170,475	(78,015)
Closing balance	30,288	(140,187)
Total	30,288	(140,187)
3 : Short-term borrowings		
Loans and advances from related parties		
Inter-corporate borrowings from holding Company - Unsecured	300,000	-
Total	300,000	-
6 : Trade payables		
Trade payables - other than acceptances	278,851	567,838
Total	278,851	567,838
7 : Other current liabilities		
Interest accrued on Inter-corporate borrowings	6,586	-
Other payables		
Reimbursable expenses payable to related party	552,904	115,999
Total	559,490	115,999

FIXED ASSETS

8 - Tangible assets

USD

Particulars	Gross block				Accumulated depreciation			Net block	
	Cost as at 01.04.2016	Additions	Deductions / Adjustments	Cost as at 31.03.2017	Upto 31.03.2016	For the year/ Adjustment	Deductions/ Adjustments	As at 31.03.2017	As at 31.03.2017
Owned									
Furniture and fixtures	9,913	-	9,913	-	9,123	790	9,913	-	-
	(9,913)	(-)	(-)	(9,913)	(9,123)	(-)	(-)	(9,123)	(790)
Total	9,913	-	9,913	-	9,123	790	9,913	-	-
	(9,913)	(-)	(-)	(9,913)	(9,123)	(-)	(-)	(9,123)	(790)

* Previous year figures are included in brackets

Notes forming part of financial statements

	USD	
	As At 31.03.2017	As At 31.03.2016
9 : Trade receivables		
Unsecured		
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Considered good		49
Considered doubtful	750	1,430
	750	1,479
Less : Provision for doubtful trade receivables	750	1,430
	-	49
Other debts :		
Considered good	1,031,560	152,860
Total	1,031,560	152,860
10 : Cash and cash equivalents		
Balances with banks		
In Current accounts	135,410	379,806
Total	135,410	379,806
11 : Short-term loans and advances		
Advance tax	800	
Security deposits	-	5,885
Other recoverables	945	4,346
Total	1,745	10,231

	USD	
	For the year ended 31.03.2017	For the year ended 31.03.2016
12.1 : Revenue from operations		
Revenue from Software services	443,879	2,096,295
License Fees	1,031,560	-
Total	1,475,439	2,096,295
12.2 : Other income		
Provision no longer required	680	100,000
Net gain on foreign currency transaction and translation	-	298
Miscellaneous income	13,308	2,226
Total	13,988	102,524

Notes forming part of financial statements

USD

	For the year ended 31.03.2017	For the year ended 31.03.2016
13 : Employee benefit expenses		
Salaries and allowances	379,515	20,908
Total	379,515	20,908
14 : Other expenses		
Rent	-	1,546
Rates and taxes	-	3,422
Communication cost	-	314
Facility maintenance	-	510
Travelling and conveyance expenses	-	9,696
Software Project fees	458,642	1,473,466
Professional and technical fees	441,294	688,768
Provision for doubtful trade receivables	-	1,430
Bad trade receivables written off	-	27,250
Fixed Asset written off	790	-
Miscellaneous expenses	32,125	49,524
Total	932,851	2,255,926
15 : Finance costs		
Others	6,586	-
Total	6,586	-

16: Contingent Liability

There is no contingent liabilities as at the end of the balance sheet.

17. Commitments

	31.03.2017	31.03.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

18 : Segment reporting

The Company is engaged in the business of travel based end to end software reservations / software solutions which constitutes a single business segment and operates in a single geographical segment.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in AS 17 are not applicable to the Company.

19 : Related party disclosure

i) Details of related parties :

Description of relationship

Holding Company

Ultimate Holding Company

Names of related parties

Sonata Software North America Inc.

Sonata Software Limited

Notes forming part of financial statements

ii) Transactions with related parties :

Particulars	Holding Company	
	31.03.2017	31.03.2016
Deputation cost / Service charges / Software project fees		
Sonata Software Ltd - Rendering of Services	311,780	1,385,986
Revenue from		
Sonata Software North America Inc.	1,031,560	92,400
Interest on inter corporate deposits		
Sonata Software North America Inc.	6,586	-
Salary - Overseas		
Sonata Software North America Inc.	379,515	-
Reimbursement of expenses		
Sonata Software North America Inc.	429,558	100,416
Sonata Software Ltd - Reimbursement of expenses	5,965	6,111
Inter corporate deposit taken	300,000	-
Balances outstanding at the end of the year		
Trade payables		
Sonata Software North America Inc.	552,904	-
Advances receivables		
Sonata Software North America Inc.	1,031,560	-
Inter corporate borrowings		
Sonata Software North America Inc.	300,000	-

20 : Earnings Per Share

Particulars	31.03.2017	31.03.2016
Profit attributable to equity shareholders : (USD)	170,475	(78,015)
Weighted average number of Equity Shares of \$ 0.0001 each	860,000	860,000
Earnings Per Share - Basic and Diluted : (USD)	0.20	(0.09)

21 : Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Balance Sheet as at 31st March, 2017

		USD	
	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	62,545	62,545
Reserves and surplus	4	(943,834)	(664,445)
		(881,289)	(601,900)
CURRENT LIABILITIES			
Short-term borrowings	5	1,282,112	1,132,112
Trade payables	6	11,482	42,200
Other current liabilities	7	144,277	30,134
Short-term provisions	8	3,072	8,337
		1,440,943	1,212,783
TOTAL		559,654	610,883
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	9	-	2,047
		-	2,047
CURRENT ASSETS			
Trade receivables	10	750	17,576
Cash and cash equivalents	11	35,908	36,133
Short-term loans and advances	12	522,996	555,127
		559,654	608,836
TOTAL		559,654	610,883

See accompanying notes forming part of the financial statements

Profit And Loss Statement for the year ended 31st March, 2017

USD

	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
REVENUE			
Revenue from operations	13	11,250	227,752
Other income	14	16,723	41,652
Total revenue		27,973	269,404
EXPENSES			
Employee benefit expenses	15	190,730	234,612
Other expenses	16	75,874	224,516
Finance costs	17	42,230	58,350
		308,834	517,479
Profit before tax		(280,861)	(248,075)
Tax expense			
Current tax expense		-	-
Excess provision for earlier years		(1,472)	-
Net tax expense		(1,472)	-
Profit for the year		(279,389)	(248,075)
Earnings per share - Basic and Diluted (on \$ 1 per share)		(0.02)	(0.02)

See accompanying notes forming part of the financial statements

Cash Flow Statement for the year ended 31st March, 2017

	USD	
	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(2,80,861)	(2,48,075)
Adjustments for :		
Fixed Assets written off	2,047	-
Interest expense	42,230	58,351
Operating Profit before working capital changes	(2,36,584)	(1,89,724)
Adjustments for :		
Decrease/(increase) in trade receivables	16,826	511,349
Decrease/(increase) in short-term loans and advances	32,131	(555,127)
(Decrease)/increase in trade payables	(30,718)	(420,038)
(Decrease)/increase in other current liabilities	71,913	(55,841)
(Decrease)/increase in short-term provisions	(3,793)	8,337
Cash generated from operations	(1,50,225)	(7,01,044)
Direct taxes/advance tax paid (net)	-	-
Net cash from operating activities	(1,50,225)	(7,01,044)
Net cash from operating activities after exceptional items	(A) (150,225)	(701,044)
B. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short term borrowings	150,000	717,560
Net cash from financing activities	(B) 150,000	717,560
Net increase/(decrease) in cash and cash equivalents	(A+B) (225)	16,516
Opening cash and cash equivalents	36,133	19,617
Closing cash and cash equivalents	35,908	36,133
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	35,908	36,133
	35,908	36,133

See accompanying notes forming part of the financial statements

Notes forming part of financial statements

1: Corporate information

Halosys Inc. ("Halosys" or the "Company") is headquartered in California, USA. Sonata Software Limited, through its wholly owned subsidiary, Sonata Software North America Inc. has acquired 100% ownership of Halosys Inc on 11th September 2015. The company is a IT solutions provider specializing in Enterprise Mobile Backend API platform and Mobile Information Management Solution.

2: Significant accounting policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

These financial statements are prepared on the basis of "Going Concern" assumption based on the financial support provided by the holding company Sonata Software North America Inc. to meet all the financial obligations and working capital requirement of the company over the foreseeable future.

b. Use of estimates

The preparation of the financial statements is in conformity with Indian GAAP and requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial

statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c. Revenue recognition

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from fixed price contracts are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from maintenance contracts are recognised pro-rata over the period of the contract.

Revenue is reported net of discounts.

d. Fixed Assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure if any on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Notes forming part of financial statements

USD

	As at 31.03.2017	As at 31.03.2016
3 : Share capital		
Issued, Subscribed and paid-up		
\$0.004 per value 15,754,000 shares each fully paid-up	62,545	62,545
(As at 31.03.2016 - \$ 0.004 per value 15,754,000 shares each)		
Total	62,545	62,545
4 : Reserves and surplus		
Surplus in Statement of Profit and Loss		
Opening balance	(664,445)	(416,370)
Profit for the period	(279,389)	(248,075)
Closing balance	(943,834)	(664,445)
Total	(943,834)	(664,445)
5 : Short-term borrowings		
Loans and advances from related parties		
Inter-corporate borrowings from Holding Company (Unsecured)	1,282,112	1,132,112
Total	1,282,112	1,132,112
6 : Trade payables		
Trade payables - other than acceptances	11,482	42,200
Total	11,482	42,200
7 : Other current liabilities		
Interest accrued on Inter-corporate borrowings	59,990	17,760
Income received in advance (Unearned revenue)	-	11,250
Other payables		
Reimbursable expenses payable to related party	84,287	1,124
Total	144,277	30,133
8 : Short-term provisions		
Provision for employee benefits		
Compensated absences	3,072	8,337
Total	3,072	8,337

9. FIXED ASSETS

(i) Tangible assets

USD

Particulars	Gross block				Accumulated depreciation			Net block	
	Cost as at 01.04.2016	Additions	Deductions / Adjustments	Cost as at 31.03.2017	Upto 31.03.2016	For the period/ Adjustment	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2017
Owned									
Plant and equipment	18,398	-	18,398	-	16,351	2,047	(18,398)	-	-
		(18,398)	(-)	(18,398)		(16,351)	(-)	(16,351)	(2,047)
Total	18,398	-	18,398	-	16,351	2,047	(18,398)	-	-
		(18,398)	(-)	(18,398)		(16,351)	(-)	(16,351)	(2,047)

* Previous year figures are included in blankets

Notes forming part of financial statements

	USD	
	As at 31.03.2017	As at 31.03.2016
10 : Trade receivables		
Unsecured		
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	-
Considered doubtful	-	14,400
	-	14,400
Less : Provision for doubtful trade receivables	-	14,400
	-	-
Other debts :		
Considered good	750	17,576
Considered doubtful	-	-
	750	17,576
Less : Provision for doubtful trade receivables	-	-
	750	17,576
Total	750	17,576
11 : Cash and cash equivalents		
Balances with banks		
In Current accounts	35,908	36,133
Total	35,908	36,133
12 : Short-term loans and advances		
Unsecured, considered good		
Other recoverables	522,996	555,127
Total	522,996	555,127
		USD
	For the year ended 31.03.2017	For the period ended 31.03.2016
13 : Revenue from operations		
Revenue from Software services	11,250	227,752
Total	11,250	227,752
14 : Other income		
Miscellaneous Income	10,323	8,652
Provisions/liabilities no longer required written back	6,400	33,000
Total	16,723	41,652
15 : Employee benefit expenses		
Salaries, wages, bonus and allowances	190,706	231,770
Staff welfare expenses	24	2,842
Total	190,730	234,612

Notes forming part of financial statements

USD

	For the year ended 31.03.2017	For the period ended 31.03.2016
16 : Other expenses		
Rent	-	17,072
Communication cost	1,148	3,532
Rates & Taxes	1,425	-
Facility maintenance	-	11,744
Sales commission	-	1,500
Professional and technical fees	28,268	17,108
Insourcing professional fees	35,200	135,333
Provision for doubtful trade receivables	-	14,400
Fixed assets written off	2,047	-
Miscellaneous expenses	7,786	23,827
Total	75,874	224,516
17 : Finance costs		
Interest expense		
Borrowings	-	38,011
Others	42,230	20,340
Total	42,230	58,351

18: Contingent Liability

There is no contingent liabilities as at the end of balance sheet.

USD

	31.03.2017	31.03.2016
19. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

20 : Segment reporting

The Company is engaged in the business of IT Solution specializing in Enterprise Mobile Backend API platform and Mobile Information Management Solution which constitutes a single business segment and operates in a single geographical segment.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in AS 17 are not applicable to the Company.

21 : Related party disclosure

i) Details of related parties :

Description of relationship

Holding Company

Ultimate Holding Company

Names of related parties

Sonata Software North America Inc.

Sonata Software Limited

Notes forming part of financial statements

ii) Transactions with related parties :

USD

Particulars	Holding Company	
	31.03.2017	31.03.2016
Interest on inter corporate deposits accrued		
Sonata Software North America Inc.	42,230	20,340
Reimbursement of expenses		
Sonata Software North America Inc.	83,624	1,124
Sonata Software Limited - Reimbursement of expenses	4,433	-
Inter corporate borrowings taken		
Sonata Software North America Inc.	150,000	1,132,112
Balances outstanding at the end of the year		
Trade payables		
Sonata Software North America Inc.	84,287	18,883
Interest accrued on borrowings		
Sonata Software North America Inc.	59,990	17,760
Inter corporate borrowings		
Sonata Software North America Inc.	1,282,112	1,132,112
22 : Earnings Per Share	31.03.2017	31.03.2016
Profit attributable to equity shareholders (\$)	(279,389)	(248,075)
Weighted average number of Equity Shares of \$1/- each	15,754,000	15,754,000
Earnings Per Share - Basic and Diluted (\$)	(0.02)	(0.02)

23: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The figures for the previous period are for the period from 11th September 2015 to 31st March 2016, and hence not comparable with the current year figures which is for full year.

INTERACTIVE BUSINESS INFORMATION SYSTEMS, INC.

Balance Sheet as at 31st March, 2017

		USD	
	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	3	500,250	500,250
Reserves and surplus	4	(1,332,777)	(448,290)
		(832,527)	51,960
NON-CURRENT LIABILITIES			
Other long-term liabilities	5	417,698	502,474
		417,698	502,474
CURRENT LIABILITIES			
Short-term borrowings	6	1,970,000	1,200,000
Trade payables	7	486,390	390,543
Other current liabilities	8	239,881	116,159
Short-term provisions	9	86,790	70,678
		2,783,061	1,777,380
TOTAL		2,368,232	2,331,814
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	10 (i)	606,849	772,773
Intangible assets	10 (ii)	494,866	298,191
		1,101,715	1,070,964
Deferred tax asset	11	-	321,522
		-	321,522
CURRENT ASSETS			
Trade receivables	12	581,567	583,636
Cash and cash equivalents	13	396,084	93,842
Short-term loans and advances	14	288,866	261,850
		1,266,517	939,328
TOTAL		2,368,232	2,331,814

See accompanying notes forming part of the financial statements

Profit And Loss Statement for the year ended 31st March, 2017

USD

	Note No.	For the year ended 31.03.2017	For the period ended 31.03.2016
Revenue from operations	15	5,895,787	3,329,554
Total revenue		5,895,787	3,329,554
EXPENSES			
Employee benefit expenses	16	3,588,206	2,240,997
Other expenses	17	2,422,112	1,109,392
Finance costs	18	53,580	10,676
Depreciation and amortization expense	10 (ii)	394,854	95,012
		6,458,752	3,456,077
Profit before tax		(562,965)	(126,523)
Current tax expense		-	-
Deferred tax		321,522	(321,522)
Net tax expense		321,522	(321,522)
Profit after tax		(884,487)	194,999
Earnings per share - Basic and Diluted (on \$ 1 per share)	24	(1.77)	0.39

See accompanying notes forming part of the financial statements

Cash Flow Statement for the year ended 31st March, 2017

	USD For the year ended 31.03.2017	USD For the period ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(562,965)	(126,523)
Adjustments for :		
Depreciation and amortization expense	394,854	95,012
Interst paid on Intercorporate borrowings	53,580	10,676
Operating Profit before working capital changes	(114,531)	(20,835)
Adjustments for :		
Decrease/(increase) in trade receivables	2,069	(59,256)
Decrease/(increase) in short-term loans and advances	(27,014)	(42,939)
(Decrease)/increase in trade payables	95,847	(731,962)
(Decrease)/increase in other long term liabilities	(84,776)	(34,257)
(Decrease)/increase in other current liabilities	123,722	40,344
(Decrease)/increase in short-term provisions	16,112	5,542
Cash generated from operations	11,429	(843,364)
Net cash from operating activities	(A) 11,429	(843,364)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(425,608)	(307,710)
Net cash flow from investing activities	(B) (425,608)	(307,710)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid on Inter corporate borrowings	(53,580)	(10,676)
Inter corporate borrowings from Holding Company	770,000	1,200,000
Net cash from financing activities	(C) 716,420	1,189,324
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 302,242	38,250
Opening cash and cash equivalents	93,842	55,592
Closing cash and cash equivalents	396,084	93,842
Cash and cash equivalents at the end of the year Comprises :		
Cash on hand	1,000	1,000
Balances with banks		
In Current accounts	395,084	92,842
	396,084	93,842

See accompanying notes forming part of the financial statements

Notes forming part of financial statements

1: Corporate information

Interactive Business Information Systems, Inc. ("IBIS" or the "Company") is headquartered in State of Georgia, USA. Sonata Software Limited, through its wholly owned subsidiary, Sonata Software North America Inc. has acquired 100% ownership of IBIS on 18th November 2015. The company has a strategic partnership with Microsoft for Dynamics solution and delivers world class supply chain solutions, including its proprietary Advanced Supply Chain Software solution.

2: Significant accounting policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

These financial statements are prepared on the basis of "Going Concern" assumption based on the financial support provided by the holding company Sonata Software North America Inc. to meet all the financial obligations and working capital requirement of the company over the foreseeable future.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c. Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on plant and equipment, furniture and fixtures and office equipment on the straight-line method.

Leasehold land and leasehold improvements are amortized over primary lease period.

Intangible assets are amortized over their estimated useful life on straight-line method as follows:

Computer software- 3 years

Software License- 2 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changes, if any.

d. Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from fixed price contracts are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from sale of software licenses are recognised upon delivery where there is no customisation required. In case of customisation, the same is recognised over the life of the contract using the proportionate completion method.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenues are reported net of discounts.

e. Fixed Assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure if any on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

f. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

Notes forming part of financial statements

	As at 31.03.2017	As at 31.03.2016
USD		
3 : Share capital		
Authorized		
Common Stock of 500,250 shares, of \$1 each (As at 31.03.2016, 500,250 shares of \$1 each)	500,250	500,250
Issued, Subscribed and paid-up 500,250 shares of \$1 each fully paid-up (As at 31.03.2016, 500,250 shares of \$1 each fully paid up)	500,250	500,250
Total	500,250	500,250
4 : Reserves and surplus		
Surplus in Statement of Profit and Loss		
Opening balance	(448,290)	(643,289)
Profit for the year	(884,487)	194,999
Closing balance	(1,332,777)	(448,290)
Total	(1,332,777)	(448,290)
5 : Other long-term liabilities		
Provision for rent equalization	417,698	502,474
Total	417,698	502,474
6 : Short-term borrowings		
Loans and advances from related parties		
Inter-corporate borrowings from holding Company - Unsecured (Refer Note 22)	1,970,000	1,200,000
Total	1,970,000	1,200,000
7 : Trade payables		
Total outstanding dues to Creditors - other than acceptances	486,390	390,543
Total	486,390	390,543
8 : Other current liabilities		
Provision for rent equalization	84,776	80,588
Interest accrued on Inter-corporate borrowings (Refer Note 22)	63,180	9,599
Other payables		
Reimbursable expenses to related party (Refer Note 22)	70,709	-
Statutory remittances	14,770	25,972
Advances from customers	6,446	-
Total	239,881	116,158
9 : Short-term provisions		
Provision for employee benefits		
Provision for compensated absences	86,790	70,678
Total	86,790	70,678

Notes forming part of financial statements

10. FIXED ASSETS

(i) Tangible assets

USD

Particulars	Gross block				Accumulated depreciation				Net block	Net block
	Cost as at 01.04.2016	Additions	Deductions / Adjustments	Cost as at 31.03.2017	Opening 01.04.2016	For the year	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2017	As at 01.04.2016
Owned										
Leasehold improvements	876,356	-	-	876,356	310,446	90,155	0	400,601	475,755	565,912
	(876,356)	(-)	(-)	(876,356)	(277,915)	(32,530)	-	(310,446)	(565,912)	
Plant and equipment	703,476	24,367	-	727,843	612,956	52,563	(0)	665,519	62,324	90,520
	(703,476)	(-)	(-)	(703,476)	(585,076)	(27,880)	-	(612,956)	(90,520)	
Furniture and fixtures	240,308	-	-	240,308	164,879	24,722	0	189,601	50,707	75,429
	(240,308)	(-)	(-)	(240,308)	(155,156)	(9,723)	-	(164,879)	(75,429)	
Office equipments	129,317	-	-	129,317	88,405	22,849	-	111,254	18,063	40,912
	(129,317)	(-)	(-)	(129,317)	(80,093)	(8,313)	(-)	(88,405)	(40,912)	
Total	1,949,457	24,367	-	1,973,824	1,176,686	190,289	-	1,366,975	606,849	772,773
	(1,949,457)	(-)	(-)	(1,949,457)	(1,098,240)	(78,446)	(-)	(1,176,686)	(772,773)	-

USD

Particulars	Gross block				Accumulated depreciation				Net block	Net block
	Cost as at 01.04.2016	Additions	Deductions / Adjustments	Cost as at 31.03.2017	Upto 01.04.2016	For the year	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2017	As at 01.04.2016
Owned										
Computer software	71,598	1,300	-	72,898	67,808	3,672	-	71,480	1,418	3,789
	(71,598)	(-)	(-)	(71,598)	(64,549)	(3,259)	(-)	(67,808)	(3,789)	
Software License	307,709	399,940	-	707,649	13,308	200,893	-	214,201	493,448	294,402
	(106,458)	(201,251)	(-)	(307,709)	-	(13,307)	(-)	(13,307)	(294,402)	
	-	-	-	-	-	-	-	-	-	
Total	379,307	401,240	-	780,547	81,116	204,565	-	285,681	494,866	298,191
	(178,056)	(201,251)	(-)	(379,307)	(64,549)	(16,566)	(-)	(81,115)	(298,191)	-

* Previous year figures are included in brackets

10 (ii) Depreciation and amortization expense

USD

Particulars	For the year 31.03.2017	For the period 31.03.2016
Depreciation on Tangible assets	190,289	78,446
Amortisation on Tangible assets	204,565	16,566
Total	394,854	95,012

Notes forming part of financial statements

	USD	
	As at 31.03.2017	As at 31.03.2016
11 : Deferred tax asset		
Tax effects on		
Others	-	321,522
Total	-	321,522
12 : Trade receivables		
Unsecured		
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	-
Considered doubtful	4,393	4,393
	4,393	4,393
Less : Provision for doubtful trade receivables	4,393	4,393
	-	-
Other debts :		
Considered good	581,567	583,636
Total	581,567	583,636
13 : Cash and cash equivalents		
Cash on hand	1,000	1,000
Balances with banks		
In Current accounts	395,084	92,842
Total	396,084	93,842
14 : Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties (Refer Note 22)		
Security deposits	16,306	16,306
Prepaid expenses	111,629	149,017
Other recoverables	160,931	96,527
Total	288,868	261,850

Notes forming part of financial statements

USD

	For the year ended 31.03.2017	For the period ended 31.03.2016
15 : Revenue from operations		
Revenue from software services	5,895,787	3,329,554
Total	5,895,787	3,329,554
16 : Employee benefit expenses		
Salaries, wages, bonus and allowances	3,578,429	2,208,963
Contribution to 401K fund	9,777	32,034
Total	3,588,206	2,240,997
17 : Other expenses		
Power and fuel	51,419	22,096
Rent	196,001	74,293
Insurance	293,470	152,249
Rates and taxes	19,437	7,082
Communication cost	70,693	30,437
Facility maintenance	41,286	20,418
Travelling and conveyance expenses	238,053	156,048
Software licence fees	141,543	82,923
Professional and technical fees	881,585	333,519
Legal fees	2,580	15,504
Insourcing professional fees	126,630	42,255
Bad debts	-	(550)
Miscellaneous expenses	359,415	173,119
Total	2,422,112	1,109,393
18 : Finance costs		
Interest expense		
Others	53,580	10,676
Total	53,580	10,676

Notes forming part of financial statements

19 : Contingent Liability

There is no contingent liabilities as at the year end.

20. Commitments

	31.03.17	31.03.16
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

21 : Segment reporting

The Company is engaged in the business of Dynamics Solution and delivery of world class supply chain solutions including Advanced Supply Chain Software Solution which constitutes a single business segment and operates in a single geographical segment.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in AS 17 are not applicable to the Company.

22 : Related party disclosure

i) Details of related parties :

Description of relationship	Names of related parties
Holding Company	Sonata Software North America Inc.
Ultimate Holding Company	Sonata Software Limited

ii) Transactions with related parties :

Particulars	USD	
	31.03.2017	31.03.2016
Revenue from		
Sonata Software North America Inc.	245,278	57,111
Sonata Software Limited	94,136	-
Interest on inter corporate deposits		
Sonata Software North America Inc.	53,582	10,676
Reimbursement of expenses		
Sonata Software North America Inc.	258,504	-

Particulars	USD	
	31.03.2017	31.03.2016
Balances outstanding at the end of the year		
Trade payables/ Other Current liabilities		
Sonata Software North America Inc.	133,889	9,599
Advances receivables		
Sonata Software North America Inc.	13,938	31,710
Inter corporate borrowings		
Sonata Software North America Inc.	1,970,000	1,200,000

Notes forming part of financial statements

23 : Details of leasing arrangements

- i. The Company has entered into one operating lease agreement for office premises. This lease is non-cancellable and is for a period of 64 months and may be renewed based on mutual agreement of the parties.

	USD	
	31.03.17	31.03.16
ii. The total of future minimum lease payments for non-cancellable operating leases are as below :		
Not later than one year	213,571	209,384
Later than one year and not later than 5 years	975,813	1,189,384
iii. The lease payments recognised in the statement of Profit and Loss are as under :		
Included in rent	196,001	74,293
Less : Sub- Lease payment received	-	-
	196,001	74,293

- iv. There are no rents which are contingent in nature.

24 : Earnings Per Share

Particulars	31.03.17	31.03.16
Profit attributable to equity shareholders (\$)	(884,487)	194,999
Weighted average number of Equity Shares of \$1/- each	500,250	500,250
Earnings Per Share - Basic and Diluted (\$)	(1.77)	0.39

25. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The figures for the previous period are for the period from 18th November 2015 to 31st March 2016, and hence not comparable with the current year figures which is for full year.

SONATA SOFTWARE GMBH FRANKFURT AM MAIN

Balance Sheet as at 31st March, 2017

		EUR	
	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	25,000	25,000
Reserves and surplus	4	256,583	208,710
		281,583	233,710
CURRENT LIABILITIES			
Trade payables	5	9,624	45,238
Other current liabilities	6	6,127	190,852
Short-term provisions	7	12,000	-
		27,751	236,089
TOTAL		309,334	469,799
ASSETS			
NON-CURRENT ASSETS			
Long-term loans and advances	8	13,453	1,784
		13,453	1,784
CURRENT ASSETS			
Trade receivables	9	99,372	237,760
Cash and cash equivalents	10	192,800	220,203
Short-term loans and advances	11	3,708	10,053
		295,880	468,015
TOTAL		309,334	469,799
See accompanying notes forming part of the financial statements			

Profit And Loss Statement for the year ended 31st March, 2017

EUR

	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
REVENUE			
Revenue from operations	12.1	363,338	261,777
Other income	12.2	920	6,688
Total revenue		364,258	268,465
EXPENSES			
Employee benefit expenses	13	222,928	207,929
Other expenses	14	49,138	40,409
Total expenses		272,065	248,338
Earnings before interest, tax, depreciation and amortization (EBITDA)		92,192	20,127
Finance costs	15	-	104
		-	104
Profit before tax		92,192	20,024
Current tax expense		44,319	(15,274)
Net tax expense		44,319	(15,274)
Profit after tax		47,873	35,298
Earnings per share - Basic and Diluted (on \$ 1 per share)		23,937	17,649
See accompanying notes forming part of the financial statements			

Cash Flow Statement for the year ended 31st March, 2017

EUR

	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	92,192	20,024
Adjustments for :		
Provision no longer required (net)	(891)	(6,252)
Operating Profit before working capital changes	91,301	13,440
Adjustments for :		
Decrease/(increase) in trade receivables	138,386	18,640
Decrease/(increase) in long-term loans and advances	(11,670)	(724)
Decrease/(increase) in short-term loans and advances	6,345	(9,313)
(Decrease)/increase in trade payables	(35,613)	(5,213)
(Decrease)/increase in other current liabilities	(184,725)	45,427
(Decrease)/increase in short-term provisions	12,891	(17,164)
Cash generated from operations	16,915	45,094
Direct taxes/advance tax paid (net)	(44,319)	15,274
Net cash from operating activities	(27,404)	60,368
Net cash from operating activities after exceptional items	(A) (27,404)	60,368
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances		
Interest received	-	436
Net cash flow from investing activities	(B) -	436
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	(105)
Net cash from financing activities	(C) -	(105)
Net increase/(decrease) in cash and cash equivalents	(A)+ (B)+ (C) (27,404)	60,699
Opening cash and cash equivalents	220,203	159,503
Closing cash and cash equivalents	192,800	220,203
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	192,800	220,203
	192,800	220,203
See accompanying notes forming part of the financial statements		

Notes forming part of financial statements

1: Corporate information

SONATA SOFTWARE GMBH FRANKFURT AM MAIN is the company headquartered in Germany. Sonata Software Limited has 100% ownership of GMBH incorporated on 16th March 2004. The company is primarily engaged in the business of providing IT Services and Solutions to its customers in Germany. It's a 100% holding by Sonata Software Limited.

2: Significant accounting policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c. Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from fixed price contracts are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from sale of software licenses are recognised upon delivery where there is no customisation required. In case of customisation, the same is recognised over the life of the contract using the proportionate completion method.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenues are reported net of discounts.

d. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

Notes forming part of financial statements

	As at 31.03.2017	As at 31.03.2016
EUR		
3 : Share capital		
Authorized		
Common Stock EUR 12,500 per value, 2 shares (Previous period Common Stock EUR 12,500 per value, 2 shares)	25,000	25,000
Issued, Subscribed and paid-up		
EUR 12,500 per value 2 shares each fully paid-up (Previous period EUR 12,500 per value 2 shares each fully paid-up)	25,000	25,000
Total	25,000	25,000
4 : Reserves and surplus		
(a) Capital Reserve		
Opening Balance	25,000	25,000
Add: Additions during the year	-	-
Less : Utilised/ transferred during the year	-	-
Closing Balance	25,000	25,000
(b) Surplus in Statement of Profit and Loss		
Opening balance	183,710	148,411
Profit for the year	47,873	35,298
Closing Balance	231,583	183,710
Total	256,583	208,710
5 : Trade payables		
Trade payables - other than acceptances	9,624	45,238
Total	9,624	45,238
6 : Other current liabilities		
Income received in advance (Unearned revenue)	-	188,561
Other payables		
Statutory remittances	6,127	2,291
Total	6,127	190,852
7 : Short-term provisions		
Provision for employee benefits		
Provision for compensated absences	12,000	-
Total	12,000	-
8 : Long-term loans and advances		
Unsecured, considered good		
Security deposits	1,060	1,060
Advance Tax	12,393	724
Total	13,453	1,784

Notes forming part of financial statements

	EUR	
	As at 31.03.2017	As at 31.03.2016
9 : Trade receivables		
Other trade receivables :		
Considered good	99,372	237,760
Considered doubtful		-
	99,372	237,760
Less : Provision for doubtful trade receivables	-	-
	99,372	237,760
Total	99,372	237,760
10 : Cash and cash equivalents		
Balances with banks		
In Current accounts	192,800	220,203
Total	192,800	220,203
11 : Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties - Advances recoverable	3,000	9,360
Loans and advances to employees	150	150
Prepaid expenses	560	543
Total	3,710	10,053
EUR		
	Year ended 31.03.2017	Year ended 31.03.2016
12.1 : Revenue from operations		
Revenue from software services	363,338	261,777
Total	363,338	261,777
12.2 : Other income		
Interest income	-	436
Provision no longer required written back	891	6,252
Miscellaneous income	29	-
Total	920	6,688
13 : Employee benefit expenses		
Salaries, wages, bonus and allowances	222,928	207,929
Total	222,928	207,929

Notes forming part of financial statements

EUR

	Year ended 31.03.2017	Year ended 31.03.2016
14 : Other expenses		
Rent	3,300	3,368
Repairs and maintenance - Machinery	-	75
Insurance	929	811
Communication cost	58	-
Facility maintenance	-	4,800
Travelling and conveyance expenses	314	-
Professional and technical fees	16,525	18,155
Legal fees	18,747	10,990
Payment to auditors	2,000	2,000
Miscellaneous expenses	7,264	209
Total	49,138	40,409
15 : Finance costs		
Interest expense		
Borrowings	-	-
Others	-	104
Total	-	104
16 : Contingent Liability		
There is no contingent liabilities as at date of balance sheet.		
17. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

18 : Segment reporting

The Company is engaged in the business of providing IT Services and Solutions to its customers in Germany which constitutes a single business segment and operates in a single geographical segment.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in AS 17 are not applicable to the Company.

19 : Related party disclosure

i) Details of related parties :

Description of relationship

a) Holding Company

Names of related parties

Sonata Software Limited

ii) Transactions with related parties :

Particulars	Holding Company	
	31.03.2017	31.03.2016
Reimbursement of expenses paid		
Sonata Software Limited	11,898	9,062
Balances outstanding at the end of the year		
Advances payables		
Sonata Software Limited	3,000	9,360

EUR

Notes forming part of financial statements

20 : Details of leasing arrangements

- i. The Company has entered into various operating lease agreements for office premises, residential premises, guest houses and certain assets. These leases are cancellable as well as non-cancellable and are for a period of 11 months to 120 months and may be renewed based on mutual agreement of the parties.

	EUR	
	31.03.2017	31.03.2016
ii. The lease payments recognised in the statement of Profit and Loss are as under :		
Included in rent	3,300	3,368
Less : Sub- Lease payment received	-	-
	3,300	3,368

- iv. There are no rents which are contingent in nature.

21 : Earnings Per Share

Particulars	31.03.2017	31.03.2016
Profit attributable to equity shareholders (EUR)	47,873	35,298
Weighted average number of Equity Shares of EUR 12,500/- each	2	2
Earnings Per Share - Basic and Diluted (EUR)	23,937	17,649

22 : Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.