

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SONATA SOFTWARE SOLUTIONS LIMITED**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the accompanying financial statements of **SONATA SOFTWARE SOLUTIONS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, cashflows and its changes in equity for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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.

The Board of Directors is also 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with

the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities;
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 35 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Gurvinder Singh**  
Partner  
(Membership No.110128)  
UDIN: 22110128AHXAVL8203

Place: Bengaluru  
Date: April 25, 2022

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sonata Software Solutions Limited of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls over financial reporting of **SONATA SOFTWARE SOLUTIONS LIMITED** (the “Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Gurvinder Singh**

Partner

(Membership No.110128)

UDIN: 22110128AHXAVL8203

Place: Bengaluru

Date: April 25, 2022

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SONATA SOFTWARE SOLUTIONS Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company does not hold any intangible assets, reporting under clause 3(i) (b) of the Order is not applicable.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no Property, Plant and Equipment were due for verification during the year.
  - (c) The Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) and hence reporting under the clause 3(i)(c) of the Order is not applicable to the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships, or any parties during the year, hence reporting under clause 3(iii) of the Order is not applicable
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

- vii. In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has raised loans during the year however it does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related



party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in in compliance with provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Gurvinder Singh**  
Partner  
(Membership No.110128)  
UDIN: 22110128AHXAVL8203

Place: Bengaluru  
Date: April 25, 2022

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Balance Sheet as at March 31, 2022**

₹ in Lakhs

	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	179	12
Right-of-use assets	34	3,206	-
Capital work-in-progress	3.2	-	1
Financial assets			
Other financial assets	4.1	257	60
Deferred tax assets (net)	17	609	168
Other non-current assets	4.2	8	-
<b>Total non-current assets</b>		<b>4,259</b>	<b>241</b>
<b>Current assets</b>			
Financial assets	5		
Investments	5.1	251	-
Trade receivables	5.2	4,059	1,252
Cash and cash equivalents	5.3	106	-
Other current assets	6	37	35
<b>Total current assets</b>		<b>4,453</b>	<b>1,287</b>
<b>Total assets</b>		<b>8,712</b>	<b>1,528</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	1	1
Other equity	8	4,900	961
<b>Total Equity</b>		<b>4,901</b>	<b>962</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	9	3,093	-
<b>Total non-current liabilities</b>		<b>3,093</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	10	-	180
Trade payables	11		
Total outstanding dues of micro enterprises and small enterprises		1	4
Total outstanding dues of creditors other than micro enterprises and small enterprises		257	154
Lease liabilities	12	332	-
Other financial liabilities	13	-	161
Other current liabilities	14	58	25
Provisions	15	67	8
Current tax liabilities (net)	16	3	34
<b>Total current liabilities</b>		<b>718</b>	<b>566</b>
<b>Total equity and liabilities</b>		<b>8,712</b>	<b>1,528</b>

See accompanying notes to the financial statements

As per our report of even date attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm registration no. 0080725)

For and on behalf of the Board of Directors

**Gurvinder Singh**  
Partner  
(Membership No. 110128)

**P V S N Raju**  
Director

**Jagannathan C N**  
Director

Place : Bengaluru  
Date : April 25, 2022

**Madhavi Srinivas**  
Director

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2022**

		₹ in Lakhs	
	Note No.	For the year ended March 31, 2022	For the period from February 24, 2020 March 31, 2021
Revenue	18.1	10,154	2,930
Other income	18.2	(5)	(16)
<b>Total income</b>		<b>10,149</b>	<b>2,914</b>
<b>EXPENSES</b>			
Employee benefit expense	19	4,849	1,488
Finance costs	20	343	15
Depreciation and amortization expense	3 & 34	255	-
Other expenses	21	494	450
<b>Total expenses</b>		<b>5,941</b>	<b>1,953</b>
<b>Profit before tax</b>		<b>4,208</b>	<b>961</b>
<b>Tax expense</b>			
Current tax expense		701	168
Deferred tax		(440)	(168)
<b>Net tax expense</b>		<b>261</b>	<b>-</b>
<b>Profit for the year</b>		<b>3,947</b>	<b>961</b>
<b>Other Comprehensive Income</b>			
1 (a) Items that will not be reclassified to profit/(loss)		(9)	-
(b) Income tax relating to items that will not be reclassified to profit/(loss)		1	-
		<b>(8)</b>	<b>-</b>
<b>Total</b>		<b>(8)</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>3,939</b>	<b>961</b>

See accompanying notes to the financial statements

As per our report of even date attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm registration no. 008072S)

**Gurvinder Singh**  
Partner  
(Membership No. 110128)

Place : Bengaluru  
Date : April 25, 2022

**For and on behalf of the Board of Directors**

**P V S N Raju**  
Director

**Jagannathan C N**  
Director

**Madhavi Srinivas**  
Director

	For the year ended March 31, 2022	From February 24, 2020 to March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,208	961
Adjustments for :		
Depreciation and amortization expense	255	-
Finance costs	343	15
Unrealized foreign exchange gain (net)	(7)	(16)
<b>Operating cash flows before movements in working capital</b>	<b>4,799</b>	<b>960</b>
Adjustments for :		
Decrease/(increase) in trade receivables	(2,828)	(1,252)
Decrease/(increase) in other financial assets-current	-	(60)
Decrease/(increase) in other financial assets non-current	(197)	-
Decrease/(increase) in other current assets	-	(35)
(Decrease)/increase in trade payables	126	158
(Decrease)/increase in other financial liabilities	(162)	161
(Decrease)/increase in other current liabilities	24	25
(Decrease)/increase in provisions	59	8
<b>Net cash flow from/(used in) operating activities before taxes</b>	<b>1,821</b>	<b>(35)</b>
Direct taxes/advance tax paid (net)	(740)	(134)
<b>Net cash from/(used in) operating activities</b>	<b>1,081</b>	<b>(169)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, including intangible assets, capital work-in-progress and capital advances	(193)	(13)
Purchase of investments	(600)	
Proceeds from sale of investments	350	
<b>Net cash flow used in investing activities</b>	<b>(443)</b>	<b>(13)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds received from issue of shares	-	1
Payment on lease liabilities	(334)	-
Inter-corporate borrowings from Holding Company - Unsecured	(180)	180
Interest paid on ICD	-	(15)
Finance costs.	(18)	-
<b>Net cash flow from/(used in) financing activities</b>	<b>(532)</b>	<b>166</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>106</b>	<b>(16)</b>
Opening Cash and cash equivalents	-	-
Exchange difference on translation of foreign currency Cash and cash equivalents.	-	16
<b>Closing Cash and cash equivalents</b>	<b>106</b>	<b>-</b>
Balances with banks		
In current accounts	106	-
	106	-
<b>See accompanying notes to the financial statements</b>		

As per our report of even date attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm registration no. 008072S)

**For and on behalf of the Board of Directors**

**Gurvinder Singh**  
Partner

**P V S N Raju**  
Director

**Jagannathan C N**  
Director

Place : Bengaluru  
Date : April 25, 2022

**Madhavi Srinivas**  
Director

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Statement of changes in equity for the year ended March 31, 2022**

<b>(a) Equity share capital</b>	<b>₹ in Lakhs</b>
<b>Balance as at February 24, 2020 (date of incorporation)</b>	-
Add: Shares issued on incorporation of the company	1
Add: Shares issued on exercise of employee stock option	-
<b>Balance as at March 31, 2021</b>	<u>1</u>
<b>Balance as at April 1, 2021</b>	<u>1</u>
Add: Shares issued on incorporation of the company	-
Add: Shares issued on exercise of employee stock option	-
<b>Balance as at March 31, 2022</b>	<u>1</u>

<b>(b) Other equity</b>	<b>Reserves and Surplus (Refer Note 8)</b>		<b>Total</b>
	<b>Retained Earnings</b>	<b>Remeasurement of the defined benefit plans</b>	<b>Other Equity</b>
<b>Balance as at February 24, 2020 (date of incorporation)</b>	-	-	-
Profit for the period	961	-	961
<b>Total comprehensive income for the year</b>	<b>961</b>	<b>-</b>	<b>961</b>
<b>Balance as at March 31, 2021</b>	<b>961</b>	<b>-</b>	<b>961</b>
<b>Balance as at April 1, 2021</b>	<b>961</b>	<b>-</b>	<b>961</b>
Profit for the year	3,947	-	3,947
Other comprehensive income (net of tax)	-	(8)	(8)
<b>Total comprehensive income for the year</b>	<b>3,947</b>	<b>(8)</b>	<b>3,939</b>
<b>Balance as at March 31, 2022</b>	<b>4,908</b>	<b>(8)</b>	<b>4,900</b>

As per our report of even date attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm registration no. 008072S)

**Gurvinder Singh**  
Partner

**P V S N Raju**  
Director

**Jagannathan C N**  
Director

Place : Bengaluru  
Date : April 25, 2022

**Madhavi Srinivas**  
Director

## **1 COMPANY OVERVIEW**

Sonata Software Solutions Limited ("SSSL" or the "Company") is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customers in the United States of America, Europe, Middle East, Australia and India.

The Company is a public limited company incorporated on Feb 24, 2020 and domiciled in India with its registered office at Mumbai and operationally headquartered at Bengaluru. The financial statements are approved for issue by the Company's Board of Directors on April 25, 2022.

## **2 SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS**

#### **a. Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

#### **b. Basis of measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair value at end of the reporting period, as explained in the accounting policies below.

#### **c. Use of judgement, estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statement and the reported amounts of income and expenditure during the reported year. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

#### **i) Income taxes**

The Company's major tax jurisdictions is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

#### **ii) Other estimates**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

#### **iii) Estimation of uncertainties relating to the global health pandemic COVID-19:**

The management has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the recoverability of these assets, the management has considered the global economic conditions prevailing at the date of approval of these financial statements and has used internal and external sources of Information including credit reports to the extent determined by it. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

### **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

**b. Property, plant and equipment**

Property, plant and equipment are measured at cost or its deemed cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

**c. Capital work-in-progress**

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress respectively.

**d. Depreciation/ Amortisation**

Depreciable amount for assets is the cost of asset less its estimated residual value.

Depreciation has been provided on buildings and plant and equipments on the straight line method and on furniture and fixtures, vehicles and office equipments on the written down method, as per the useful life prescribed in Schedule II of the Companies Act, 2013.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Company assesses at each Balance Sheet date whether there is objective evidence that a asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**e. Leases**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than ₹ 500,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

**f. Financial Instruments**

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**Non-derivative financial assets**

**i. Financial assets at amortised cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

**ii. Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the company has exercised the option to classify the equity investment as at FVTOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

**iii. Financial assets at Fair Value through Profit and loss (FVTPL) -**

Financial assets which is not classified in any of the above category is measured at FVTPL. These include surplus funds invested in mutual funds etc. Financial assets included within the FVTPL category are measured at fair values with all changes recorded in the statement of profit and loss.

**Non-derivative financial liabilities**

**Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

**Financial liabilities at FVTPL**

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

**Offsetting financial instruments**

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

**g. Employee Benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Provident Fund:** Employees receive benefits from government administered provident fund. The employer and employees each make periodic contributions to the government administered provident fund. A portion of the contribution is made to the government administered provident fund while the remainder of the contribution is made to the pension fund.

**Gratuity:** The Company provides for Gratuity, a defined benefit plan covering the eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and tenure of the employment with the Company.



**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

Liabilities with regard to the Gratuity plan are determined by actuarial valuation , performed by an independent actuary, at each Balance Sheet date using projected unit method. The Company fully contributes all ascertained liabilities to the trust managed by the Trustees of Sonata Software Limited Gratuity Fund. The Trustees administers the contributions made to the Trust. The fund's investments are managed by certain insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the statement of Profit and Loss.

**Superannuation Fund:** Certain employees of the Company are participants in a defined contribution plan of superannuation. The Company has no further obligations to the plan beyond its monthly contributions which are periodically contributed to the Sonata Software Limited Superannuation Fund , the corpus of which is invested with the Life Insurance Company.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

**h. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

**i. Income Taxes**

Income tax comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**a) Current income tax** - Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the year. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the year. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) Deferred tax** - Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**j. Cash flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

**k. Revenue Recognition**

The Company derives revenue primarily from Information Technology Services and Solutions. The Company recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered

**a) Time and materials contracts**

Revenues from contracts priced on a time and material basis are recognised as the related services are performed and related costs are incurred.

**b) Fixed-price contracts**

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

**c) Maintenance Contracts**

Revenue from maintenance contracts is recognized ratably over the period of the contract using the "percentage-of-completion" method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as 'Advance from customers'.

Revenues are reported net of GST and applicable discounts and allowances.

**l. Dividend :**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees.

The Finance Act 2020 has abolished the Dividend Distribution Tax (DDT) and has shifted the tax liability on dividends to the shareholders. Accordingly, the Company distributes the dividend after deducting the taxes at applicable rates.

**m. Foreign Currency transactions and translations**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

**n. Finance Income and expense**

Finance income consists of interest income on funds invested, dividend income and fair value gains on the FVTPL financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method.

**o. Impairment**

**a) Financial assets :**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and unbilled revenue. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company recognizes lifetime expected credit losses for all trade receivables and/or other contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL allowance (or reversal) is recognised as income / expense in the Statement of Profit and Loss.

**b) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in Statement of Profit and Loss and reflected in an allowance account. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net off any accumulated depreciation/amortisation) had no impairment loss been recognised for the asset in prior years.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**p. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**q. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

**SONATA SOFTWARE SOLUTIONS LIMITED**  
Notes forming part of the financial statements

**3.1 - Property, plant and equipment**

₹ in Lakhs

Particulars	Plant and Equipments	Total
<b>Gross carrying value (Deemed cost)</b>		
<b>As at February 24, 2020 (date of incorporation)</b>		
Additions	12	12
Disposals/Write off	-	-
Translation Difference	-	-
<b>As at March 31, 2021</b>	<b>12</b>	<b>12</b>
<b>As at April 1, 2021</b>	<b>12</b>	<b>12</b>
Additions	194	194
Disposals/Write off	-	-
Translation Difference	-	-
<b>As at March 31, 2022</b>	<b>206</b>	<b>206</b>
<b>Depreciation/ Amortization</b>		
<b>As at April 1, 2021</b>	-	-
Charge for the period	27	27
Disposals/Write off	-	-
Translation Difference	-	-
<b>As at March 31, 2022</b>	<b>27</b>	<b>27</b>
<b>Net Block</b>		
<b>As at March 31, 2022</b>	<b>179</b>	<b>179</b>
<b>As at March 31, 2021</b>	<b>12</b>	<b>12</b>

**3.2 - Capital work-in-progress**

The table below provides details regarding ageing for Capital Work-In-Progress (CWIP):

₹ in Lakhs

	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Projects in Progress:</b>					
As at March 31, 2022	-	-	-	-	-
As at March 31, 2021	1.00	-	-	-	1.00

**SONATA SOFTWARE SOLUTIONS LIMITED**  
Notes forming part of financial statements

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
<b>4.1 : Other financial assets</b>		
Security deposits	257	60
<b>Total</b>	<b>257</b>	<b>60</b>
<b>4.2 : Other non-current assets</b>		
Unsecured, considered good unless otherwise stated		
Advance Tax (net of provision for tax ₹ 702 (for March 31, 2021 is Nil))	8	-
<b>Total</b>	<b>8</b>	<b>-</b>
<b>5.1 : Investments</b>		
<b>Investments carried at fair value through profit &amp; loss:</b>		
<b>Investments in mutual funds (Quoted)</b>	<b>No. of units</b>	<b>₹ in Lakhs</b>
Axis Overnight Fund - Direct growth	22357	251
<b>Total</b>	<b>251</b>	<b>-</b>
<b>5.2 : Trade receivables</b>		
Unsecured		
Considered good*	4,059	1,252
<b>Total</b>	<b>4,059</b>	<b>1,252</b>

\* Include dues from related parties (Refer note 33)

Trade receivable ageing schedule is provided below:

	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good							
As at March 31, 2022	197	2,567	1,163	132	-	-	4,059
As at March 31, 2021	1,071	181	-	-	-	-	1,252

**5.3 : Cash and cash equivalents**

Balances with banks		
In current accounts	106	-
<b>Total</b>	<b>106</b>	<b>-</b>

**6 : Other current assets**

Loans and advances to employees	15	1
Prepaid expenses	10	17
Gratuity (Refer note 28)	-	7
Other recoverables	12	10
<b>Total</b>	<b>37</b>	<b>35</b>

**7 : Equity share capital**

<b>Authorized</b>		
150,000 equity shares of face value ₹ 10/- each	15	15
(As at March 31, 2021 - 150,000 equity shares of face value ₹ 10/- each)		
<b>Issued</b>		
10,000 equity shares of face value ₹ 10/- each fully paid-up	1	1
(As at March 31, 2021 - 10,000 equity shares of face value ₹ 10/- each)		
<b>Subscribed and paid-up</b>		
10,000 equity shares of face value ₹ 10/- each fully paid-up	1	1
(As at March 31, 2021 - 10,000 equity shares of face value ₹ 10/- each)		
<b>Total</b>	<b>1</b>	<b>1</b>

Refer note (i) to (v) below

**Notes :**

**i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year**

	As at March 31, 2022	As at March 31, 2021
Equity shares with voting rights		
Number of shares	10,000	10,000
Amount ₹	100,000	100,000

**ii) Details of rights, preferences and restrictions attached to each class of shares**

The Company has one class of equity shares having a par value of ₹ 10/-. Each shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board and approved by the shareholders.

In the event of liquidation by the Company, the holders of the equity shares will be entitled to receive in proportion to the number of equity shares held by them, the remaining assets of the Company.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

**iii) Details of shares held by Holding Company**

	As at March 31, 2022	As at March 31, 2021
Equity shares with voting rights		
Sonata Software Limited (Holding Company) and its nominees	10,000	10,000

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
<b>iv) Details of shares held by each shareholder holding more than 5% shares</b>		
Sonata Software Limited (Holding Company) and its nominees		
No. of shares held	10,000	10,000
% of holding	100	100
<b>v) Details of shares held by each promoter</b>		
Sonata Software Limited (Holding Company) and its nominees		
No. of shares held	10,000	10,000
% of holding	100	100
<b>8 : Other equity</b>		
<b>Retained earnings</b>		
Opening balance	961	-
Profit for the year	3,947	961
<b>Closing balance</b>	<b>4,908</b>	<b>961</b>
<b>Remeasurement of the defined benefit plans</b>		
Opening balance	-	-
For the year, (net of tax)	(8)	-
<b>Closing balance</b>	<b>(8)</b>	<b>-</b>
<b>Total</b>	<b>4,900</b>	<b>961</b>
Actuarial gain or losses on gratuity are recognised in other comprehensive income		
<b>9 : Lease liabilities</b>		
Long term lease liabilities (Refer note 34)	3,093	-
<b>Total</b>	<b>3,093</b>	<b>-</b>
<b>10 : Borrowings</b>		
Loans and advances from related parties (Refer note 33)		
Inter-corporate borrowings from Holding Company - Unsecured (Refer note 33)	-	180
<b>Total</b>	<b>-</b>	<b>180</b>
<b>11 : Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 24)	1	4
Total outstanding dues of creditors other than micro enterprises and small enterprises	257	154
<b>Total</b>	<b>258</b>	<b>158</b>

**Trade payables ageing schedule is provided below:**

₹ in Lakhs

Particulars	Outstanding for the following period from due date of payments						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>(i) As at March 31, 2022</b>							
MSME	-	-	1	-	-	-	1
Others	104	107	46	-	-	-	257
<b>Total</b>	<b>104</b>	<b>107</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>258</b>
<b>(ii) As at March 31, 2021</b>							
MSME	-	3	1	-	-	-	4
Others	52	39	63	-	-	-	154
<b>Total</b>	<b>52</b>	<b>42</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158</b>

SONATA SOFTWARE SOLUTIONS LIMITED  
Notes forming part of financial statements

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
<b>12 : Lease liabilities</b>		
Short term lease liabilities (Refer note 34)	332	-
<b>Total</b>	<b>332</b>	<b>-</b>
<b>13 : Other financial liabilities</b>		
Reimbursable expenses payable to related party (Refer note 33)	-	161
<b>Total</b>	<b>-</b>	<b>161</b>
<b>14 : Other current liabilities</b>		
Gratuity payable (net) (Refer note 28)	6	-
Other payables		
Statutory remittances	51	25
Other liabilities	1	-
<b>Total</b>	<b>58</b>	<b>25</b>
<b>15 : Provisions</b>		
Provision for employee benefits - Compensated absences	67	8
<b>Total</b>	<b>67</b>	<b>8</b>
<b>16 : Current tax liabilities (net)</b>		
Provision for tax (net of advance tax ₹ 165 (for March 31, 2021 ₹ 134))	3	34
<b>Total</b>	<b>3</b>	<b>34</b>

	₹ in Lakhs	
	For the year ended March 31, 2022	For the period ended March 31, 2021
<b>Income Tax</b>		
<b>(a) Income tax expense in the statement of profit and loss consists of:</b>		
<b>Current Tax:</b>		
In respect of current year	701	168
<b>Deferred Tax:</b>		
In respect of current year	(440)	(168)
<b>Total Income tax expense recognised in the statement of profit and loss</b>	<b>261</b>	<b>-</b>
<b>(b) Income tax recognised in other Comprehensive income</b>		
Deferred tax related to items recognised in other comprehensive income during the year:		
Net loss / (gain) on measurement of defined benefit plan	1	-
<b>Total</b>	<b>1</b>	<b>-</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit before tax	4,213	961
Enacted income tax rate in India	27.82%	27.82%
Computed expected tax expense	1,172	267
<b>Effect of:</b>		
Income under section 10AA	(1,064)	(267)
MAT Credit reversal	51	
Others	102	-
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>261</b>	<b>-</b>

The applicable Indian corporate statutory tax rate for the year ended March 31, 2022 is 27.82% (period ended March 31, 2021 is 27.82%)

The Company is having unit in Bengaluru registered as Special Economic Zone (SEZ) unit, which is entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961. However company has to pay Minimum Alternate Tax ("MAT") as per Income Tax Act, 1961 of which credit is available.

#### 17. Deferred Tax

##### Deferred Tax assets / (liabilities) as at March 31, 2022 in relation to:

₹ in Lakhs

	As at April 1, 2021	Recognised in Profit & Loss	Recognised in Other Comprehensive Income/Reserves	As at March 31, 2022
MAT Credit	168	440	-	608
Defined benefit plans	-	-	1	1
<b>Total</b>	<b>168</b>	<b>440</b>	<b>1</b>	<b>609</b>

##### Deferred Tax assets / (liabilities) as at March 31, 2021 in relation to:

₹ in Lakhs

	As at April 1, 2020	Recognised in Profit & Loss	Recognised in Other Comprehensive Income/Reserves	As at March 31, 2021
MAT Credit	-	168	-	168
<b>Total</b>	<b>-</b>	<b>168</b>	<b>-</b>	<b>168</b>



**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

₹ in Lakhs

	For the year ended March 31, 2022	For the period from February 24, 2020 March 31, 2021
<b>18.1 : Revenue</b>		
Revenue from software services (Refer note 22)	10,154	2,930
<b>Total</b>	<b>10,154</b>	<b>2,930</b>
<b>Performance obligations and remaining performance obligations:</b>		
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.		
<b>18.2 : Other income</b>		
Interest		
from fixed deposits/margin money with banks	1	-
Net gain on current investments	1	-
Net gain on foreign currency transactions and translations	(7)	(16)
<b>Total</b>	<b>(5)</b>	<b>(16)</b>
<b>19 : Employee benefit expense</b>		
Salaries including bonus	4,553	1,399
Contributions to provident and other funds	282	87
Staff welfare expenses	14	2
<b>Total</b>	<b>4,849</b>	<b>1,488</b>
<b>20 : Finance costs</b>		
Interest expense on:		
Inter corporate borrowings (Refer Note 33)	11	15
Others	7	-
Lease rental discounted (Refer Note 34)	325	-
<b>Total</b>	<b>343</b>	<b>15</b>
<b>21 : Other expenses</b>		
Power and fuel	-	3
Rent	13	90
Repairs and maintenance - Buildings	2	-
Repairs and maintenance - Machinery	9	1
Insurance	61	13
Rates and taxes	12	1
Communication cost	37	8
Facility maintenance	69	13
Professional and technical fees	10	17
Software project fees	-	25
Insourcing professional fees	169	215
Expenditure on Corporate Social Responsibility (Refer note 32)	21	-
Payments to auditors	8	8
Miscellaneous expenses	83	56
<b>Total</b>	<b>494</b>	<b>450</b>
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	8	8
	<b>8</b>	<b>8</b>

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

**22 Revenue from software services**

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers For the period ended March 31, 2022 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

	₹ in Lakhs	
	For the year ended March 31, 2022	For the period ended March 31, 2021
Time & Material	6,099	364
Fixed Price	4,055	2,559
<b>Total</b>	<b>10,154</b>	<b>2,923</b>

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements ,and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

**Trade receivables and Contract Balances**

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straightline basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

23 Commitments

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	48	-

24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1	4
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

25 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

₹ in Lakhs

	Note No.	Carrying Value	Fair Value	Carrying Value	Fair Value
		As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
<b>Financial assets</b>					
<b>Amortised Cost</b>					
Security Deposits	4.1	257	257	60	60
Trade receivable	5.2	4,059	4,059	1,252	1,252
Cash and cash equivalents	5.3	106	106	-	-
FVTPL					
Investment in Mutual Fund (quoted)	5.1	251	251	-	-
<b>Total Assets</b>		<b>4,673</b>	<b>4,673</b>	<b>1,312</b>	<b>1,312</b>
<b>Financial liabilities</b>					
<b>Amortised Cost</b>					
Borrowings	10	-	-	180	180
Trade payables	11	258	258	158	158
Lease liabilities	9 & 12	3,425	3,425	-	-
Other financial liabilities	13	-	-	161	161
<b>Total Liabilities</b>		<b>3,683</b>	<b>3,683</b>	<b>499</b>	<b>499</b>

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, inter corporate deposits and other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

26 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

**Liquidity risk**

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

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	106	-
Trade receivables	4,059	1,252

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 and as at March 31, 2021:

	As at March 31, 2022			As at March 31, 2021		
	Less than 1 year	1-2 years	2 years & above	Less than 1 year	1-2 years	2 years & above
Borrowings	-	-	-	180	-	-
Trade payables	258	-	-	158	-	-
Lease liabilities	332	316	2,777	-	-	-
Other financial liabilities	-	-	-	161	-	-

**Foreign Currency risk**

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollar, British pound sterling and Euro). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The details in respect of the outstanding foreign exchange forward contracts are given under the derivative financial instruments section.

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2022 and as at March 31, 2021.

Exposure currency	₹ in Lakhs			
	USD	GBP	EUR	Other Currencies*
<b>As at March 31, 2022</b>				
<b>Assets</b>				
Trade receivables	3,137	692	54	184
Cash and Cash equivalents	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Trade Payable	(43)	-	-	-
Other financial liabilities	-	-	-	-
<b>Net assets/liabilities</b>	<b>3,094</b>	<b>692</b>	<b>54</b>	<b>184</b>

Exposure currency	₹ in Lakhs			
	USD	GBP	EUR	Other Currencies*
<b>As at March 31, 2021</b>				
<b>Assets</b>				
Trade receivables	821	342	30	97
<b>Liabilities</b>				
Trade Payable	(25)	-	-	-
<b>Net assets/liabilities</b>	<b>796</b>	<b>342</b>	<b>30</b>	<b>97</b>

\*Others include currencies such as Singapore Dollar, Australian Dollar, Swiss Franc, etc.

For the period ended March 31, 2022, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by 0.40%/ (0.40)%. For the year ended March 31, 2021, the impact on operating margins would be 0.41%/ (0.41)%.

**27 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the company consists of the following:

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Total equity attributable to the equity share holders of the Company	4,901	962
As percentage of total capital	100%	84%
Current borrowings*	-	180
As a percentage of total capital	-	16%
<b>Total capital (borrowings and equity)</b>	<b>4,901</b>	<b>1,142</b>

\* Current borrowings does not include lease liabilities

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has generally been a net cash Company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds.

**SONATA SOFTWARE SOLUTIONS LIMITED**  
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**28 Employee benefit plans**

**i) Defined contribution plans**

a) Provident fund

Employees receive benefits from government administered provident fund. The employer and employees each make periodic contributions to the government administered provident fund. A portion of the contribution is made to the government administered provident fund while the remainder of the contribution is made to the pension fund.

Provident fund contributions amounting to ₹ 133 lakhs (Previous period ended March 31, 2021 ₹ 47 lakhs) has been charged to the Statement of Profit and Loss (as part of Contribution to Provident Fund and other Funds in Note 19 Employee benefits expense).

b) During the year the Company has recognised the following amounts in the Statement of Profit and Loss towards Employers contribution to:

₹ in Lakhs

	For the year ended March 31, 2022	For the period ended March 31, 2021
Superannuation (as part of Contribution to Provident Fund and other Funds in Note 19 Employee benefits expense)	70	18
National Pension Scheme (as part of Contribution to Provident Fund and other Funds in Note 19 Employee benefits expense)	1	-

**ii) Defined benefit plans - Gratuity**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	March 31, 2022	March 31, 2021
Discount rate(s)	6.44%	5.58%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2006-08

Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

₹ in Lakhs

	For the year ended March 31, 2022	For the period ended March 31, 2021
<b>Service Cost:</b>		
Current Service Cost	19	4
Components of defined benefit costs recognised in profit or loss	19	4
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	-	4
Actuarial (gains) / losses arising from changes in financial assumptions	(3)	-
Actuarial (gains) / losses arising from experience adjustments	12	-
Components of defined benefit costs recognised in other comprehensive income	9	4

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(33)	(4)
Fair value of plan assets	27	11
<b>Net (liability) / Assets arising from defined benefit obligation</b>	<b>(6)</b>	<b>7</b>
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	4	-
Current service cost	19	4
Actuarial gains and losses arising from changes in financial assumptions	(3)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	13	-
<b>Closing defined benefit obligation</b>	<b>33</b>	<b>4</b>
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	11	-
Interest income	1	-
Contributions from the employer	15	11
<b>Closing fair value of plan assets</b>	<b>27</b>	<b>11</b>

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

The major categories of plan assets as a percentage of total plan

	As at March 31, 2022	As at March 31, 2021
Insurer Managed Funds	100%	100%
Category of funds :		
Secure Fund	50.00%	50.00%
Defensive Fund	25.00%	25.00%
Balanced Fund	25.00%	25.00%

Sensitivity analysis for significant actuarial assumptions is computed to show the movement in defined benefit obligation by 1%.

₹ in Lakhs

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	4	3	23	21
Future salary growth (1% movement)	4	3	23	21

The Company expects to contribute ₹ 40 lakhs to its defined benefit plans during the next fiscal year.

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**Experience adjustments:**

₹ in Lakhs

	As at	As at
	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	33	4
Fair value of plan assets	27	11
Surplus / (deficit)	(6)	7

**Maturity profile of defined benefit obligation:**

₹ in Lakhs

	As at	As at
	March 31, 2022	March 31, 2021
Within 1 year	1	-
1-2 years	-	-
2-3 years	-	-
3-4 years	1	-
4-5 years	5	1
5 years and Above	64	8

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

**29 Segment reporting**

The Company is engaged in the providing Information Technology Services and Solutions outside India which constitutes a single business segment. The Company's operations in India did not exceed the quantitative threshold for disclosure envisaged in Ind AS 108.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in Ind AS 108 are not applicable to the Company.

**30 Earnings Per Share**

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

	For the year ended	For the period ended
	March 31, 2022	March 31, 2021
Total number of equity shares outstanding	10,000	10,000
Weighted average number of equity shares for calculation of earning per share	10,000	10,000

**31** There is no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

**32 Corporate Social Responsibility**

As per Section 135 of Companies Act, 2013 a company meeting the applicability threshold, needs to spend at least 2% of its net profit of the immediately preceding financial year on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Companies Act, 2013 . The CSR initiatives are focused towards those programme directly or indirectly, benefit the community and society at large. The Company's CSR activities primarily focuses on programs that promote education.

(i) Gross amount required to be spent by the Company during the year is ₹ 19 lakhs.

(ii) Amount spent during the year is ₹ 21 lakhs.

(in ₹ lakhs)

	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than above	21	-	21
<b>Total</b>	<b>21</b>	<b>-</b>	<b>21</b>

(iii) Amount unspent is ₹ Nil.

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

**33. Related party disclosure**

**i) Details of related parties :**

Description of relationship	Names of related parties
a) Holding Company	Sonata Software Limited
b) Fellow Subsidiaries	Sonata Information Technology Limited Sonata Software North America Inc. Sonata Europe Limited Sonata Software FZ LLC Interactive Business Information Systems Inc. Sonata Australia Pty Ltd (formerly known as "Scalable Data Systems Pty Ltd") Sopris Systems LLC
(c) Key Management Personnel (KMP)	Mr. P V S N Raju, Director Mr. Jagannathan CN, Director Mrs. Madhavi Srinivas, Director

**ii) Transactions with related parties :**

₹ in Lakhs

	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
<b>Rendering of services</b>				
Sonata Software North America Inc.	-	6,923	-	2,070
Sonata Europe Limited	-	1,296	-	208
Sonata Software FZ LLC	-	33	-	26
Sonata Software Limited	1,737	-	553	-
Interactive Business Information Systems Inc.	-	44	-	10
Sonata Australia Pty Ltd	-	69	-	9
Sopris Systems LLC	-	16	-	27
<b>Software project fees</b>				
Sonata Software Limited	1	-	25	-
<b>Inter-corporate borrowings</b>				
Sonata Software Limited	220	-	505	-
<b>Inter-corporate borrowings repayment</b>				
Sonata Software Limited	400	-	546	-
<b>Interest on Inter-corporate borrowings</b>				
Sonata Software Limited	11	-	13	-

₹ in Lakhs

	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
<b>Balances outstanding at the end of the year</b>				
<b>Inter-corporate borrowings</b>				
Sonata Software Limited	-	-	180	-
<b>Trade receivables</b>				
Sonata Software North America Inc.	-	2,819	-	675
Sonata Europe Limited	-	362	-	78
Sonata Software FZ LLC	-	2	-	18
Interactive Business Information Systems Inc.	-	5	-	7
Sopris Systems, LLC	-	16	-	3
Sonata Australia Pty Ltd	-	69	-	6
Sonata Software Limited	754	-	465	-
<b>Trade payables</b>				
Sonata Software Limited	26	-	25	-
<b>Reimbursement of expenses payable</b>				
Sonata Software Limited	-	-	160	-
Sonata Information Technology Limited	-	-	-	1

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Notes forming part of financial statements**

**34 : Leases**

₹ in Lakhs

Following are the changes in the carrying value of right of use assets:

	Category of ROU Asset
	Buildings
Balance as at April 1, 2021	-
Additions	3,434
Deletion	-
Amortization	(228)
<b>Balance as at March 31, 2022</b>	<b>3,206</b>

The aggregate amortization expense of ₹ 228 lakhs on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

Rental expense recorded for short-term leases was ₹ 13 lakhs (March 31,2021 ₹ 90 lakhs) for the year ended March 31,2022.

The following is the movement in lease liabilities:

₹ in Lakhs

	For the year ended March 31, 2022
Balance at the beginning	-
Additions	3,434
Finance cost accrued during the year	325
Deletions	-
Payment of lease liabilities	(334)
<b>Balance at the end of the year</b>	<b>3,425</b>

The following is the break-up of lease liabilities based on their maturities:

₹ in Lakhs

	As at March 31, 2022
Current lease liabilities	332
Non-current lease liabilities	3093
<b>Total</b>	<b>3,425</b>



**Contractual maturities of lease liabilities**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

	₹ in Lakhs
	<b>As at</b>
	<b>March 31, 2022</b>
Not later than one year	350
Later than one year and not later than 5 years	1,562
Later than 5 years	4,704
<b>Total</b>	<b>6,616</b>

35. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities

No funds have been received by the Company from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**36. The table below provides financial ratios:**

Ratio/Measure	Methodology	For the year ended	For the period ended
		March 31, 2022	March 31, 2021
Current ratio	Current assets over current liabilities	6.20	2.27
Debt-equity ratio	Debt over total shareholders equity	0.70	0.19
Debt service coverage ratio	EBITDA over current debt	1.28	5.01
Return on equity ratio	PAT over total average equity	1.35	1.00
Trade receivable turnover ratio	Revenue from operations over trade receivables	2.50	2.34
Trade payable turnover ratio	Adjusted expenses over trade payables	20.71	12.27
Net capital turnover ratio	Revenue from operations over working capital	2.50	3.25
Net profit ratio	Net profit over revenue	0.39	0.33
Return on capital employed	EBIT over capital employed	0.59	1.25
Return on investment	Interest income, net gain on sale of investments and net fair value gain over weighted average investments.	0.01	-

**Notes:**

EBITDA - Earnings before interest, taxes, depreciation and amortisation

PAT - Profit after taxes

EBIT - Earnings before interest and taxes.

Debt includes current and non-current lease liabilities.

Adjusted expenses derived from total expenses excluding depreciation and finance cost.

working capital derived from current assets in excess of current liabilities excluding borrowings & lease liabilities.

**Explanation for variances exceeding 25%:** Previous year income & expenses are not comparable due to difference in periods as the Company was incorporated on February 24, 2020.

**For and on behalf of the Board of Directors**

**P V S N Raju**  
Director

**Jagannathan C N**  
Director

Place : Bengaluru  
Date: 25 April 2022

**Madhavi Srinivas**  
Director

## INDEPENDENT AUDITORS' REPORT

To the Members of M/s. **ENCORE I.T. SERVICES SOLUTIONS PVT LTD**

Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of M/s. **ENCORE I.T. SERVICES SOLUTIONS PVT LTD** ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2022;
- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;
- c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have



fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial statement and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, and Shareholder's Information, but does not include the financial statement and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the s financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these s financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and



presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors 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 the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibility 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in Annexure statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. In our opinion and according to the size, the company has laid down necessary internal financial controls and such financial controls appear to be adequate and operating effectively with the policies and procedures laid down by the company in respect thereof. The report on the adequacy of the internal financial controls over financial reporting of the company is not applicable to this company.



**essveeyar**  
Chartered Accountants

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The company does not have any pending litigations which would impact its financial position
  - ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ESSVEEYAR  
Chartered Accountants  
FRN: 000808S


K. Sekar  
Partner  
Membership No: 028562  
UDIN: 22028562AHZMGC1372

Place: Chennai  
Date : 28-04-2022

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of ENCORE I.T. SERVICES SOLUTIONS PVT LTD**

1. In respect of its Property, Plant and Equipment:
  - a. (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
  
(B) The company has maintained proper records showing full particulars of intangible assets;
  - b. The Company has a phased program of physical verification of Property, Plant and Equipment, which in our opinion, is reasonable having regard to the size of the Company and nature of Property, Plant and Equipment. The discrepancies noticed on such verification were not material and were properly dealt with in the Books of Account.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not own any immovable properties and hence the comments on the title deeds does not arise.
  - d. The Company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets or both during the year;
  - e. According to the information given no proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act 1988,
2. In respect of its inventory:
  - a. The Company does not hold any inventory and hence comments on inventory is not applicable.
  - b. The Company has not been sanctioned any working capital limit with any bank or financial institutions and hence Clause (ii) (b) of the order does not apply
3. According to the information given , the company has not made any investments or granted any loans or advances in the nature of advances or provided any guarantee or security to companies, firms, LLPs or any other parties and hence Clause (iii)( a to f) of the Order does not apply
4. The Company has not granted any loans, investment, guarantees to Companies/parties and hence the compliance of Section 185 and 186 of the Companies Act does not apply
5. The Company has not accepted any deposits from the public and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the act and the rules framed thereunder are not applicable. Further no order



has been passed by Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal has been passed during the year

6. The Central Government has not prescribed maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013 read with the Companies (cost records and audit) Rules 2014, for any of the services rendered by the Company.
7. According to information and explanations given to us in respect of statutory dues:
- a. To the best our knowledge obtained and verification made, we report that the Company is regular in depositing undisputed statutory dues applicable to it with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they become payable as at 31/03/2022.
- b. According to the information and explanations given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute are as follows:-

Name of the Statute	Period of dues	Amount (Rs.)	Forum where dispute is pending
Income tax Act, 1961	2015-16 FY	101,45,125*	Commissioner(Appeals)

- Net of pre deposit of Rs.25,36,282/-

8. According to the information given there is no surrender or disclosure of income during the year which are not recorded in the books of account in the tax assessments of the company.
9. According to the information given and as per our review of the accounts the Company has no dues to any financial institutions or banks or debenture holders nor taken any funds to meet the obligations of its subsidiaries or associates or joint ventures. Hence clause (ix) (a to f) of the Order does not apply
10. (a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
11. (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under Section 143(12) of the Companies had been filed by us
- ( c ) As per information given the company has not received any whistle blower complaints during the year





**essveeyar**  
Chartered Accountants

12. As the Company is not a Nidhi Company the clauses xii (a) to (c) of the Order does not apply
13. The Company has disclosed the transactions with the related parties and the said transactions are in compliance with Section 177 and 188 of the Companies Act wherever applicable.
14. (a) The Company has an internal audit system commensurate with the size and nature of its business  
(b) The Company is not mandatorily required to have an internal audit under the Companies Act
15. According to the information given to us , the company has not entered into any non-cash transactions with directors or persons connected with him.
16. According to the information given, the provisions of Sec.45 –IA of the Reserve Bank of India Act 1934 are not applicable to the company.
17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year
18. There is no resignation of the statutory auditors during the year and hence the clause does not apply
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liability, other information accompanying the financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities at the balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. The Provisions of Section 135 of the Companies Act does not apply to this company and hence reporting under Clause (xx)(a) and (b) is not applicable
21. As this is a audit report on the stand alone financials and no consolidation is applicable, clause (xxi) is not applicable to this company.

**For ESSVEEYAR**  
**Chartered Accountants**  
**FRN: 000808S**





**Place: Chennai**  
**Date: 28-04-2022**

**K.Sekar**  
**Partner**  
**Membership No: 028562**  
**UDIN: 22028562AHZMGC1372**

**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**  
**HTC Towers 41, GST Road, Guindy, Chennai - 600032**  
**BALANCE SHEET AS AT 31ST MARCH 2022**

(Amount in Rupees)

PARTICULARS	NOTES	31st MARCH 2022	31ST MARCH 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	99,900	100,000
(b) Reserves and Surplus	2	66,680,912	55,922,928
(c) Money Received Against share warrants			
<b>2. Share Application Money Pending Allotment</b>			
<b>3. Non-current liabilities</b>			
(a) Long-term borrowings	3	-	-
(b) Deferred tax liabilities (Net)	4	-	-
(c) Other long-term liabilities	5	-	-
(d) Long-term provisions	6	6,083,976	10,319,462
<b>4. Current liabilities</b>			
(a) Short-term borrowings	7	-	-
(b) Trade payables	8	1,296,562	3,906,609
(c) Other current liabilities	9	19,504,080	4,023,962
(d) Short-term provisions	10	6,300,616	5,239,432
<b>TOTAL</b>		<b>99,966,046</b>	<b>79,512,393</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property Plant and Equipments	11		
(i) Tangible assets		11,241,303	8,987,043
(ii) Intangible Assets		0	320,233
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current Investments	12	11,700,000	-
(c) Deferred tax assets (Net)	4	2,543,795	799,176
(d) Long-term Loan and Advances	13	7,000,000	7,000,000
(e) Other Non-current assets	14	-	-
<b>2. Current Assets</b>			
(a) Current investments	15	-	-
(b) Inventories	16	-	-
(c) Trade Receivables	17	1,800,031	4,282,495
(d) Cash and Cash equivalents	18	24,260,266	21,110,040
(e) Short-term Loans and Advances	19	2,670,326	2,725,838
(f) Other current assets	20	38,750,327	34,287,569
<b>TOTAL</b>		<b>99,966,046</b>	<b>79,512,393</b>
Significant Accounting Policies & Notes on accounts			

As per our report of even date  
For ESSVEEYAR  
**CHARTERED ACCOUNTANTS**  
F.R.N:000808S

Place: Chennai

Date: 28 April 2022



Director



Director

K.Sekar  
PARTNER  
Membership No. 028562

UDIN: 22028562AHZMU1C1372



(KANDASAMY SANKARAN)



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**  
**HTC Towers 41, GST Road, Guindy, Chennai - 600032**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**

(Amount in Rupees)

PARTICULARS	NOTES	31ST MARCH 2022	31ST MARCH 2021
<b>I. Revenue from Operations</b>	21	458,263,767	347,024,084
<b>II. Other Income</b>	22	81,453	61,944
<b>III. Total Revenue (I+II)</b>		<b>458,345,221</b>	<b>347,086,028</b>
<b>IV. Expenses:</b>			
(a) Cost of material consumed	23		
(b) Purchase of Stock-in-Trade	24		
(c) Changes in Inventories	25		
(d) Employee benefit expenses	26	382,576,676	276,766,567
(e) Finance cost	27	288,869	66,577
(f) Depreciation and Amortisation expenses	28	4,444,896	4,303,850
(g) Other expenses	29	55,647,897	50,538,262
<b>Total Expenses</b>		<b>442,958,339</b>	<b>331,675,257</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>15,386,882</b>	<b>15,410,771</b>
<b>VI. Exceptional Items</b>	30		
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>15,386,882</b>	<b>15,410,771</b>
<b>VIII. Extraordinary Items</b>			
<b>IX. Profit before tax (VII-VIII)</b>		<b>15,386,882</b>	<b>15,410,771</b>
<b>X. Tax Expense:</b>			
(1) Current Tax		6,300,616	5,239,432
(2) Deferred Tax		(843,445)	(127,922)
<b>XI. Profit/(Loss) for the period continuing operations</b>		<b>9,929,711</b>	<b>10,299,261</b>
<b>XII. Profit/(Loss) from discontinuing operations</b>			
<b>XIII. Tax expenses of discontinuing operations</b>			
<b>XIV. Profit/(Loss) from discontinuing operations after tax</b>			
<b>XV. Profit/(Loss) for the year</b>		<b>9,929,711</b>	<b>10,299,261</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss:			
- OCI- Income Tax on Gratuity		901,174	-
<b>XVI. Other Comprehensive Income</b>		<b>10,830,885</b>	<b>10,299,261</b>
<b>XVII. Earnings per equity share:(Face value of Rs.100)</b>	31		
(1) Basic		10,842	10,299
(2) Diluted		10,842	10,299
Significant Accounting Policies & Notes on accounts	32		

As per our report of even date

For ESSVEEYAR  
 CHARTERED ACCOUNTANTS  
 F.R.N:000808S

Place: Chennai

Date: 28 April 2022



Director

(KANDASAMY  
 SANKARAN)



Director





K.Sekar

PARTNER

Membership No. 028562

UDIN: 22028562-AH ZM G C I 372



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**  
**HTC Towers 41, GST Road, Guindy, Chennai - 600032**

(Amount in Rs.)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022		
PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before taxation	15,386,882	15,410,771
Adjustments for Non Cash / Non Operating Items:		
Prior Period Items		
Exchange Loss		
Interest on Income tax of earlier years adjusted		
Interest Received	(63,933)	(61,944)
Depreciation	4,444,896	4,303,850
Provision For Gratuity & Leave Encashment	6,310,306	3,611,555
Profit on sale of Asset	(11,700)	-
<b>Operating Profit before working capital changes</b>	<b>26,066,451</b>	<b>23,264,233</b>
Adjustments for:		
(Increase)/Decrease in Inventories		-
(Increase)/Decrease in Trade Receivables	2,482,464	(2,625,266)
(Increase)/Decrease in Short Term Loans	55,512	27,957
(Increase)/Decrease in Other Current Assets	(4,462,758)	(4,873,889)
Increase/(Decrease) in Short term Borrowings		
Increase/(Decrease) in Trade Payables	(2,610,047)	(1,426,325)
Increase/(Decrease) in Other Current Liabilities	5,874,568	957,167
Increase/(Decrease) in Short Term Provisions		-
<b>Operating Profit/(loss) before taxes</b>	<b>27,406,189</b>	<b>15,323,875</b>
Tax Expense	6,300,616	5,000,000
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>21,105,573</b>	<b>10,323,875</b>
<b>B. Cash flow from Investing Activities</b>		
Addition to Fixed Assets	(6,450,030)	(2,812,859)
Interest Received	63,933	61,944
Increase in Non Current Investments	(11,700,000)	-
Sale / Disposal of Fixed Assets	130,750	-
<b>Net Cash Flow from/ (used in) Investing Activities</b>	<b>(17,955,347)</b>	<b>(2,750,915)</b>
<b>C. Cash flow from Financing Activities</b>		
Repayment of long term loan from directors		
<b>Net Cash flow from/(used in) Financing Activities</b>	-	-
<b>Net Increase/Decrease in cash and cash equivalents (A+B+C)</b>	<b>3,150,226</b>	<b>7,572,960</b>
Cash and Cash equivalent at the beginning of the year	21,110,040	13,537,080
Cash and Cash equivalent at the end of the year	24,260,266	21,110,040
<b>Net Increase / Decrease in cash and cash equivalents</b>	<b>3,150,226</b>	<b>7,572,960</b>

Place: Chennai  
 Date: 28-04-2022

As per our report of even date  
 For ESSVVEYAR  
 CHARTERED ACCOUNTANTS  
 F.R.N:000808S

  
 Director

  
 Director

K.Sekar  
 PARTNER  
 Membership No. 028562  
 UDIN: 22028562AHZMGC1372

(KANDASAMY  
 SANKARAN)



**Note: 01****Share Capital****Amounts in Rupees.**

Particulars	31ST MARCH	31ST MARCH
	2022	2021
Authorised Share Capital :- 5000 Equity shares of Rs. 100/- each	500000	500000
	500000	500000
Issued, Subscribed and Paid up Capital :- 999 equity shares of Rs. 100/- each (Previous Year 1000 equity Share of Rs.100/- each)	99900	100000
	99900	100000
<b>Total</b>	<b>99900</b>	<b>100000</b>

**a. Reconciliation of shares outstanding :**

Particulars	31ST MARCH 2022		31ST MARCH 2021	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
At the beginning of the period	1000		1000	
Addition during the period				
Deduction during the period				
<b>Outstanding at the end of the period</b>	<b>999</b>	<b>0</b>	<b>1000</b>	<b>0</b>
Face Value of the Share ( In Rs.)	100		100	

**d . Details of shareholders holding more than 5% shares in the company :**

Name of Share Holder	31ST MARCH 2022		31ST MARCH 2021	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Sonata Software Limited	998	99.8	0	0
Encore Services Inc. USA			999	99.9

**Note: 02****Reserves & Surplus**

Particulars	31ST MARCH 2022	31ST MARCH 2021
Surplus ( P&L a/c Balance):		
Opening Balance	55,850,028	45,623,667
Add : Profit for the year	10,830,885	10,299,261
		-
<b>Total</b>	<b>66,680,912</b>	<b>55,922,928</b>

**Note: 04****Deferred Tax Asset/Liability**

Particulars	31ST MARCH 2022	31ST MARCH 2021
Balance as per the last Balance Sheet (DTA)	799,176	671,254
Add: DTA	843,445	127,922
Add: Included under other comprehensive income	901,174	
<b>Total</b>	<b>2,543,795</b>	<b>799,176</b>

**Calculation of Deferred Tax Assets/Liability**

Particulars	31ST MARCH 2022	31ST MARCH 2021
<b>Depreciation</b>		
As per Income Tax Act	4,530,878	3,811,844
As per Books	4,444,896	4,303,850
<b>Difference (DTL)</b>	<b>(85,982)</b>	<b>492,006</b>
<b>Expenditures Disallowed</b>		
As per Income Tax Act	3,330,000	-
As per Books	-	-
<b>Difference (DTA)</b>	<b>3,330,000</b>	<b>-</b>
<b>Difference (Net)</b>	<b>3,244,018</b>	<b>492,006</b>
Deferred Tax @ 25%	811,004	123,002
Add: Surcharge @ 7%	-	-
	811,004	123,002
Add: Cess	32,440	4,920
	843,445	127,922
<b>Add : DTA for PY reversed now</b>		
	843,445	127,922



**Note: 06****Long Term Provisions**

Particulars	31ST MARCH 2022	31ST MARCH 2021
Provision for Gratuity ( Unfunded)	-	8,148,919
Provision for Leave Encashment (Unfunded)	2,753,976	2,170,543
Exgratia Payable	3,330,000	-
<b>Total</b>	<b>6,083,976</b>	<b>10,319,462</b>

**Note: 08****Trade Payables**

(i) : Details of Outstanding dues of Micro Enterprises and Small Enterprises are as under

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Outstanding dues of micro enterprises and small enterprises		
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises	1296562.19	3906609.24
<b>Total</b>	<b>1,296,562</b>	<b>3,906,609</b>

(ii)(a) Ageing schedule of trade payables as on 31st March 2022 are as under:

Particulars	Unbilled Payables	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Outstanding dues of micro enterprises and small enterprises						
ii) Outstanding dues of creditors other than micro enterprises and small enterprises		1,296,562				1296562.19
iii) Disputed Outstanding dues of micro enterprises and small enterprises						
iv) Disputed Outstanding dues of creditors other than micro enterprises and small enterprises						
<b>Total</b>						

(ii)(b) Ageing schedule of trade payables as on 31st March 2021 are as under:

Particulars	Unbilled Payables	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Outstanding dues of micro enterprises and small enterprises						
ii) Outstanding dues of creditors other than micro enterprises and small enterprises		3906609.24				3906609.24
iii) Disputed Outstanding dues of micro enterprises and small enterprises						
iv) Disputed Outstanding dues of creditors other than micro enterprises and small enterprises						
<b>Total</b>						

(iii). The Details of liabilities to Micro &amp; Small Enterprises, to the extent information available with the Company are given under. These liabilities are not due for payment as per the contractual term of payment.

Dues to micro enterprises and small enterprises	As at 31st March 2022	As at 31st March 2021
1. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of the accounting year (No amount is due for more than 45 days & Interest due Rs....)	0	0
2. The amount of interest paid by the buyer in term of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006, alongwith the amounts of the payment made to the supplier beyond appointed day during the accounting year	0	0
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	0	0
4. The amount of interest accrued and remaining unpaid at the end of the accounting year.		
5. The amount of further interest remaining due and payable even in the succeeding years. Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of Disallowances as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



Note: 09

Particulars	31ST MARCH 2022	31ST MARCH 2021
IDS Payable	3,847,788	3,186,988
Full and Final settlement Payable	902,642	182,661
Outstanding Expenses	383,317	556,267
Exgratia payable	14,370,045	
Goods and Service Tax Payable (RCM)	288	98,046
<b>Total</b>	<b>19,504,080</b>	<b>4,023,962</b>

Note: 10

Particulars	31ST MARCH 2022	31ST MARCH 2021
Provision for Income Tax	6,300,616	5,239,432
<b>Total</b>	<b>6,300,616</b>	<b>5,239,432</b>

Note: 11

Particulars	Depreciation Rates / Useful Life of Assets	Gross Block		Depreciation/Amortisation		Net Block	
		As at 01-04-2021	As at 31-03-2022	As at 01-04-2021	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
<b>Tangible Assets:</b>							
Furniture and Fixtures	10 years	1,007,525	1,007,525	311,425	407,140	600,385	696,100
Office Equipment	5 years	3,785,538	3,792,540	3,462,077	3,590,634	201,906	323,461
Computer	3 years	28,042,325	34,354,603	20,366,073	24,131,781	10,222,823	7,676,252
Computer Servers	6 years	2,368,616	2,368,616	2,077,387	2,152,427	216,189	291,229
<b>(i) Sub Total (A)</b>		<b>35,204,004</b>	<b>41,523,284</b>	<b>26,216,962</b>	<b>30,281,981</b>	<b>11,241,303</b>	<b>8,987,043</b>
<b>Intangible Assets:</b>							
Computer Software	5 years	4,561,422	4,561,422	4,241,189	4,561,422	0	320,233
<b>(ii) Sub Total (B)</b>		<b>4,561,422</b>	<b>4,561,422</b>	<b>4,241,189</b>	<b>4,561,422</b>	<b>0</b>	<b>320,233</b>
<b>Total (A+B)</b>		<b>39,765,426</b>	<b>46,084,706</b>	<b>30,458,151</b>	<b>34,843,403</b>	<b>11,241,303</b>	<b>9,307,275</b>

Note: 12

Particulars	31ST MARCH 2022	31ST MARCH 2021
Investment in Axis Money Market Fund	11,700,000	-
<b>Total</b>	<b>11,700,000</b>	<b>-</b>



**Note: 13**

## Long Term Loans and Advances

Particulars	31ST MARCH 2022			31ST MARCH 2021		
	Secured, Considered Good	Unsecured, Considered Good	Unsecured, Considered Doubtful	Secured, Considered Good	Unsecured, Considered Good	Unsecured, Considered Doubtful
Rental Advance		7,000,000			7,000,000	
<b>Sub-Total</b>		<b>7,000,000</b>		-	<b>7,000,000</b>	<b>0</b>
<b>Less: Provision for doubtful loans &amp; advances:</b>						
<b>Total</b>		<b>7,000,000</b>		-	<b>7,000,000</b>	<b>0</b>

**Note:17**

## (i) Trade Receivables

Particulars	As at 31st March 2022	As at 31st March 2021
Trade Receivables considered Good - Secured		
Trade Receivables considered Good - Unsecured	1,800,031	4,282,495
Trade Receivables which have significant increase in Credit Risk		
Trade Receivable - Credit Impaired		
<b>Sub - Total</b>	<b>1,800,031</b>	<b>4,282,495</b>
Less: Provision for Doubtful Trade Receivables		
Unbilled receivables		
Receivables not due		
<b>Total</b>	<b>1,800,031</b>	<b>4,282,495</b>

(ii) The Company has used a practical expedient for computing expected credit loss allowances for trade receivables taking into account historical credit loss experience. As per management assessment, provision has been not required to be made.

(iii) The movement in provision for doubtful trade receivables are as under:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at beginning of the year		
Movement in expected credit loss allowance on trade receivables		
Balance at end of the year		

(iii)(a) Ageing schedule of trade receivables as on 31st March 2022 are as under:

Particulars	Unbilled Receivables	Receivables not due	Outstanding for following periods from due date of payments					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables considered Good			1800030.78					1800030.78
(ii) Undisputed Trade Receivables which have significant increase in Credit Risk								
(iii) Undisputed Trade Receivables - Credit Impaired								
(iv) Disputed Trade Receivables considered Good								
(v) Disputed Trade Receivables which have significant increase in Credit Risk								
(vi) Disputed Trade Receivables - Credit Impaired								
<b>Total</b>			<b>1800030.78</b>					

(iii)(b) Ageing schedule of trade receivables as on 31st March 2021 are as under:

Particulars	Unbilled Receivables	Receivables not due	Outstanding for following periods from due date of payments					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables considered Good			4282495.06					4282495.06
(ii) Undisputed Trade Receivables which have significant increase in Credit Risk								
(iii) Undisputed Trade Receivables - Credit Impaired								
(iv) Disputed Trade Receivables considered Good								
(v) Disputed Trade Receivables which have significant increase in Credit Risk								
(vi) Disputed Trade Receivables - Credit Impaired								
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4282495.06</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4282495.06</b>





**Note: 18****Cash and Cash Equivalents**

Particulars	31ST MARCH	31ST MARCH
	2022	2021
Cash Balance on Hand:	382	1,317
Balance with Scheduled Banks:	14,259,884	21,108,723
Balance with Other Banks:		
Cheques Drafts on Hand:		
Fixed Deposit with Bank	10,000,000	-
<b>Total</b>	<b>24,260,266</b>	<b>21,110,040</b>

**Note: 19****Short Term Loans and Advances**

Particulars	31ST MARCH 2022			31ST MARCH 2021		
	Secured, Considered Good	Unsecured, Considered Good	Unsecured, Considered Doubtful	Secured, Considered Good	Unsecured, Considered Good	Unsecured, Considered Doubtful
Advance to supplier					113,046	
Travel Advance						
Insurance Recoverable	125,294				72,760	
Salary Advance	5,000					
Security Deposit	3,750				3,750	
Income tax - Appeal pre deposit	2,536,282				2,536,282	
<b>Sub-Total</b>	<b>2,670,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,725,838</b>	<b>-</b>
<i>Less: Provision for doubtful loans &amp; advances:</i>						
<b>Total</b>	<b>2,670,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,725,838</b>	<b>-</b>

**Note: 20****Other Current Assets**

Particulars	31ST MARCH	31ST MARCH
	2022	2021
Prepaid Expenses	3,114,780	1,969,794
Goods and Service Tax Input credit refundable	25,780,580	22,803,766
Goods and Service Tax on RCM	863,395	320,386
<b>Income Tax Refundable:</b>		
AY 19-20	936,711	936,711
AY 20-21	888,446	888,446
Advance tax	6,766,983	5,000,000
Parental Insurance cover	399,432	324,133
Unbilled Revenue	-	2,044,333
<b>Total</b>	<b>38,750,327</b>	<b>34,287,569</b>



**Note: 21**

## Revenue From Operations

Particulars	31ST MARCH 2022	31ST MARCH 2021
Sale of Services		
(i) Domestic		
(ii) Export		
<i>Business Development and Management Support</i>	100,642,605	66,195,566
<i>Cost of Projects</i>	61,149,944	53,399,426
<i>Cost of Projects</i>	294,655,320	227,429,093
<i>Reimbursement of expenditure on assets purchase</i>	1,815,898	-
<b>Total</b>	<b>458,263,767</b>	<b>347,024,084</b>

**Note: 22**

## Other Income

Particulars	31ST MARCH 2022	31ST MARCH 2021
Interest Income:	63,933	61,944
Discount Earned		
Dividend Income:		
Profit on sale of asset	11,700	
Gain on exchange fluctuation on translation	5,820	
Miscellaneous Income		
<b>Total</b>	<b>81,453</b>	<b>61,944</b>

**Note: 26**

## Employee Benefit Expenses

Particulars	31ST MARCH 2022	31ST MARCH 2021
Salaries & Bonus	318,917,139	255,931,404
Insurance - Staff	2,449,735	1,816,377
Directors' Remuneration:	4,943,733	4,966,412
Contribution to Provident fund & ESI	5,308,083	5,344,548
Staff Welfare	3,839,823	1,499,141
Gratuity	3,969,079	3,745,891
Provision for Leave encashment	4,269,884	3,462,794
Insurance - Parental	775,325	-
Ex Gratia - Directors	2,000,000	-
One time Exgratia Paid to Staff	14,847,500	-
Provision for Ex-Gratia	17,700,045	-
OCL - Gratuity	3,556,330	-
<b>Total</b>	<b>382,576,676</b>	<b>276,766,567</b>

**Note: 27**

## Finance Cost

Particulars	31ST MARCH 2022	31ST MARCH 2021
Bank Charges	257441	5588
Interest on Income tax	31408	0
Exchange Gain or Loss		60959
Interest on late payment of TDS	20	30
<b>Total</b>	<b>288869</b>	<b>66577</b>

**Note: 28**

## Depreciation and Amortisation expenses

Particulars	31ST MARCH 2022	31ST MARCH 2021
Depreciation expense:	4124664	3708044
Amortisation expense:	320232	595806
<b>Total</b>	<b>4444896</b>	<b>4303850</b>



Note: 29

Other Expenses

Particulars	31ST MARCH 2022	31ST MARCH 2021
Recruitment Expenses	765,313	590,888
Electricity and Genset Charges	1,184,852	1,314,492
Postage and Courier	145,215	141,540
Office Maintenance & Amenities	5,191,239	4,750,436
Internet Charges	709,651	1,149,634
Rates and Taxes:	25,530	5,260
Travelling and Conveyance	1,451,238	74,960
Subscription Charges	1,513,091	904,056
Rent	25,163,940	25,163,940
Business Development	-	-
Computer Maintenance	776,106	524,295
Telephone expense:	384,498	518,086
Professional and Consultancy Charges	14,021,268	12,318,328
AMC Charges	110,619	173,091
Miscellaneous Expenses	999,833	946,429
Repairs and Maintenance	720,265	127,768
Audit Fees	75,000	75,000
Printing & Stationery:	71,108	61,610
Loss/Profit on Parental insurance	40,440	7,419
Directors Sitting fee	40,000	320,000
Donations	-	1,000,000
EDPMS processing fee	25,600	97,600
Loss on sale of Asset	-	-
GST Non Refundable Expenses	417,193	273,430
Project billed expenses	1,815,898	-
<b>Total</b>	<b>55,647,897</b>	<b>50,538,262</b>

Note: 31

Earnings per Equity Share

Particulars	31ST MARCH 2022	31ST MARCH 2021
Profit after Tax attributable to equity share holders	10830885	10299261
Number of equity shares	999	1000
Face value of the share (in RS )	100	100
Weighted average number of equity shares	999	1000
<b>Earnings per Share (in RS)</b>	<b>10842</b>	<b>10299</b>
<b>Diluted earnings per Share (in RS)</b>	<b>10842</b>	<b>10299</b>

Sub Schedule

Trade Payables

Particulars	31ST MARCH 2022	31ST MARCH 2021
Sundry Creditors:		2,011,411
Audit Fees payable	75,000	75,000
Salary payable	105,856	-
PF &ESI Payable	-	1,689,933
Director Sitting Fee Payable	88,000	129,500
Internet Charges payable	-	-
Professional tax payable	765	765
Interest on TDS payable	-	-
Rent & Amenity charges payable	-	-
Labour Welfare Fund Payable	-	-
Travel expenses payable	-	-
<b>Total</b>	<b>269,621</b>	<b>3,906,609</b>



**NOTE NO.32**

**NOTES ON ACCOUNTS**

**Significant Accounting Policies:**

a. Basis for Preparation of account:

These financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost conventions. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 and other relevant provisions of Companies Act, 2013.

b. Revenue Recognition

Revenue from Contracts is priced on a time and material basis and are recognized when services are rendered and related costs are incurred. Revenues are reported net of discounts. Interest and other Income are recognized when the right to receive is established. Services rendered but not billed at the year end is recognized as unbilled revenue

c. Expenditure

Expenditure are accounted for on accrual basis and provision is made for all known losses and liabilities.

d. Property, Plant & Equipment

Property, Plant & Equipment are stated at cost less depreciation. Intangible assets acquired separately are measured on initial recognition at cost. Following initial Recognition, intangible assets are carried at cost less accumulated amortization.

Depreciation on tangible Property, Plant & Equipment is charged over the Useful life in the manner specified in Schedule II of the Companies Act, 2013. Software is amortized over a period of 5 years irrespective of the month of acquisition.

e. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, on timing



differences, being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

f. Foreign Currency Translation

Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

g. Terminal Benefits

Gratuity Provision is being created made on annual basis based on the employees on rolls and the number of years' service they have done and based on the Actuarial Valuation report. The Company had contributed to the Trust already formed by its Holding company. Provision for leave encashment is made based on the working given by the management

h. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

## **OTHER MATTERS**

1. Directors Sitting Fee – Rs.0.40 lakhs ( Previous year Rs. 3.20 Lakhs)
2. Outstanding to Small Scale Industrial undertakings – Rs. NIL
3. As this is a Service Unit details regarding licensed capacity etc. are not applicable
4. Contingent Liability :
  - a) Rs. 1.27 Crores disputed tax demand (Previous year Rs.1.27 Crores)

The Income tax department had raised a demand on the company arising out of the Transfer pricing adjustment for the financial year 2015-16 for Rs.1.27 Crores. The said order is being contested before the First Appellate authorities. The Consultant have advised that the company has a fair chance of winning the



appeal. Hence no Provision is made in the books. The Company had paid a sum of Rs.25.36 lakhs as pre deposit for the said appeal.

5. The company has applied for refund of GST Input tax credit as under:-

FY 2018-19 Rs. 84,71,340/-

FY 2019-20 Rs. 74,78,809/-

The said refunds have been rejected by the competent authority on certain legal grounds. The rejection of refund has been contested and appeal is filed. The management is confident that the appeal will be allowed and the refund will be released. Hence no adjustment in the books are considered necessary .

6. The company has not entered into any financial lease. The Operating leases are due for renewal on regular intervals and not long term in nature. Hence the disclosure of long term operating lease commitments are not applicable.

## 7. RELATED PARTY DISCLOSURE

### a. Related Parties and their Relationship:

**(i) Holding Company:**

Sonata Software Limited

**(ii) Associate Company**

Encore Software Services Inc. USA

**(iii) Key Management Personnel:**

Mr Kandasamy Sankaran - Director

**(iv) Directors:**

Mr. Radha Krishnan (Resigned during the year)

Mr. Muralee P Bhaskar (Resigned during the year)

Mr. Jayalal Madhavan (Resigned during the year)

Ms. Soumini Srinivas (Resigned during the year)

Mr. PVS N Raju (Inducted during the year)

Mr. Jagannathan CN (Inducted during the year)

### b. Transactions with Related Party during the year:

PARTICULARS	ASSOCIATE COMPANY	KEY MANAGEMENT PERSONNEL	(Rs. in lakhs)
			DIRECTORS
Revenue	4582.64	NA	NA
Remuneration	NA	49.44	NIL
Balance Outstanding as on 31.03.2022	18.00 (Dr.)	NIL	NIL
Ex - gratia	NA	33.30	20.00
Sitting Fees	NA	NIL	0.40



Payable to KMP	NA	33.30	NA
Payable to Directors - Murali P Bhaskar ( Since resigned)	NA	NA	0.88(Cr)

#### 8. FOREIGN EXCHANGE EARNINGS AND OUTGO –

Earnings: Rs. 4582.64 Lakhs

Expenditure: Rs. 2.54 lakhs (Previous year : NIL)

#### 9. SEGMENT REPORTING:

The Company operates in one business segment. Further the Company's business is predominantly in US. There is no other geographic segment.

10. Previous year's figures have been regrouped/ reclassified wherever necessary.



(KANDASAMY SANKARAN)

Director

Place: Chennai

Date: 28-04-2022



Director



As per our report of Even date  
For Essveeyar  
Chartered Accountants  
F.R.N: 000808S



( K.Sekar )

Partner

M.no:028562

UDIN: 22028562AHZMGC1372



Sonata Australia Pty Ltd. (Formerly known as Scalable Data Systems Pty Ltd.)  
 Balance Sheet as at March 31, 2022

		AUD	AUD
		As At	As At
	Note No.	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	18,855	17,197
<b>Total non-current assets</b>		<b>18,855</b>	<b>17,197</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	4	4,429,067	2,106,250
Cash and cash equivalents	5	1,211,756	770,845
Other financial assets	6	23,600	-
Other current assets	7	74,499	106,980
<b>Total current assets</b>		<b>5,738,922</b>	<b>2,984,075</b>
<b>TOTAL</b>		<b>5,757,777</b>	<b>3,001,272</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	8	2	2
Other equity	9	2,904,585	620,458
<b>Total Equity</b>		<b>2,904,587</b>	<b>620,460</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables		1,390,150	1,228,520
Other financial liabilities	10	757,049	575,847
Other current liabilities	11	3,013	-
Provisions	12	702,978	576,446
		<b>2,853,190</b>	<b>2,380,813</b>
<b>TOTAL</b>		<b>5,757,777</b>	<b>3,001,273</b>



Sonata Australia Pty Ltd. (Formerly known as Scalable Data Systems Pty Ltd.)  
Statement of Profit and Loss for the year ended 31st March 2022

		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
<b>REVENUE</b>						
Revenue from operations	13.1	3,584,558	3,991,345	2,245,744	13,497,763	9,393,234
Other income	13.2	42,236	(82,539)	14,595	192,795	122,686
<b>Total revenue</b>		<b>3,626,794</b>	<b>3,908,807</b>	<b>2,260,339</b>	<b>13,690,558</b>	<b>9,515,920</b>
<b>EXPENSES</b>						
Purchase of stock-in-trade (traded goods)		139,772	443,702	442,108	1,294,883	1,712,179
Employee benefit expenses	14	1,421,934	1,358,730	1,210,718	5,451,198	3,434,654
Depreciation and amortization expense	3	4,038	3,683	1,183	13,113	4,820
Other expenses	15	1,122,447	1,083,576	655,769	3,668,325	2,828,953
<b>Total expenses</b>		<b>2,688,190</b>	<b>2,889,691</b>	<b>2,309,778</b>	<b>10,427,519</b>	<b>7,980,606</b>
<b>Profit before tax</b>		<b>938,604</b>	<b>1,019,116</b>	<b>(49,438)</b>	<b>3,263,039</b>	<b>1,535,314</b>
<b>Tax expense</b>						
Current tax expense		281,581	305,735	(10,521)	978,912	464,905
<b>Profit after tax</b>		<b>657,023</b>	<b>713,381</b>	<b>(38,917)</b>	<b>2,284,127</b>	<b>1,070,409</b>

Sonata Australia Pty Ltd. (Formerly known as Scalable Data Systems Pty Ltd.)  
Cash Flow Statement for the year ended 31st March 2022

		AUD	
		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net profit before tax</b>		<b>3,263,039</b>	<b>1,535,314</b>
Adjustments for :			
Depreciation and amortization expense		13,113	4,820
Interest income		(513)	(1,468)
Unrealized foreign exchange (gain) / loss		(2,568)	-
<b>Operating Profit before working capital changes</b>		<b>3,273,071</b>	<b>1,538,666</b>
Adjustments for :			
Decrease/(increase) in trade receivables		(2,320,248)	(843,580)
Decrease/(increase) in other current assets		32,481	(38,293)
Decrease/(increase) in other financial assets		(23,600)	-
(Decrease)/increase in trade payables		161,630	698,210
(Decrease)/increase in other current liabilities		3,013	
(Decrease)/increase in other financial liabilities		181,201	(143,176)
(Decrease)/increase in short-term provisions		126,532	(111,470)
<b>Cash generated from operations</b>		<b>1,434,081</b>	<b>1,100,357</b>
Direct taxes/advance tax paid (net)		(978,912)	(464,905)
<b>Net cash from operating activities</b>	<b>A</b>	<b>455,169</b>	<b>635,452</b>
<b>Net cash from operating activities after exceptional items</b>		<b>455,169</b>	<b>635,452</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets, including intangible assets, CWIP and		(14,771)	(13,223)
Interest received		513	1,468
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(14,258)</b>	<b>(11,755)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(1,000,000)
<b>Net cash from financing activities</b>	<b>C</b>	<b>-</b>	<b>(1,000,000)</b>
Net increase/(decrease) in cash and cash equivalents	<b>(A+B+C)</b>	440,911	(376,303)
Opening cash and cash equivalents		770,845	1,147,150
<b>Closing cash and cash equivalents</b>		<b>1,211,756</b>	<b>770,846</b>
Cash and cash equivalents at the half year ended Comprises :			
Cash on hand		625	625
Balances with banks			
In Current accounts		1,176,682	569,541
In Deposit accounts		34,449	200,680
		<b>1,211,756</b>	<b>770,846</b>

Sonata Australia Pty Ltd. (Formerly known as Scalable Data Systems Pty Ltd.)

Notes forming part of the financial statements

**3 : Property, Plant and Equipment**

**AUD**

<b>Tangible Assets</b>				
<b>Particulars</b>	<b>Office Equipments</b>	<b>Furniture and Fixtures</b>	<b>Plant and Equipments</b>	<b>Total Tangible Assets</b>
<b>Deemed cost</b>				
As at April 1, 2021	123,051	214,003	233,717	<b>570,771</b>
Additions	-	-	14,771	14,771
Disposals/Write off	-	-	-	-
<b>As at March 31, 2022</b>	<b>123,051</b>	<b>214,003</b>	<b>248,488</b>	<b>585,542</b>

<b>Depreciation/ Amortization</b>				
As at April 1, 2021	123,037	210,146	220,391	553,574
Charge for the Year	-	183	12,930	13,113
<b>As at March 31, 2022</b>	<b>123,037</b>	<b>210,329</b>	<b>233,321</b>	<b>566,687</b>

<b>Net Block:</b>				
As at April 1, 2021	<b>14</b>	<b>3,858</b>	<b>13,325</b>	<b>17,197</b>
As at March 31, 2022	<b>14</b>	<b>3,675</b>	<b>15,166</b>	<b>18,855</b>

Sonata Australia Pty Ltd. (Formerly known as Scalable Data Systems Pty Ltd.)  
Notes forming part of financial statements

	AUD	
	As At	As At
	March 31, 2022	March 31, 2021
<b>4 : Trade receivables</b>		
Unsecured		
Considered good	4,429,067	2,106,250
Considered doubtful	70,722	-
	<u>4,499,789</u>	<u>2,106,250</u>
Less : Provision for doubtful trade receivables	70,722	
<b>Total</b>	<b><u>4,429,067</u></b>	<b><u>2,106,250</u></b>
<b>5 : Cash and cash equivalents</b>		
Cash on hand	625	625
Balances with banks		
In Current accounts	1,176,682	569,541
In Deposit accounts	34,449	200,680
<b>Total</b>	<b><u>1,211,756</u></b>	<b><u>770,845</u></b>
<b>6 : Other financial assets</b>		
Security deposits	23,600	-
<b>Total</b>	<b><u>23,600</u></b>	<b><u>-</u></b>
<b>7 : Other current assets</b>		
Prepaid expenses	74,498	54,637
Other recoverables	-	52,343
<b>Total</b>	<b><u>74,499</u></b>	<b><u>106,980</u></b>
<b>8 : Equity Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
Share capital	2	2
<b>Total</b>	<b><u>2</u></b>	<b><u>2</u></b>
<b>9 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	620,458	550,049
Profit/(loss) for the year	2,284,127	1,070,409
Dividend Paid	-	(1,000,000)
<b>Total</b>	<b><u>2,904,585</u></b>	<b><u>620,458</u></b>
<b>10 : Other financial liabilities</b>		
Income received in advance (Unearned revenue)	99,087	235,814
Statutory remittances	657,962	340,033
<b>Total</b>	<b><u>757,049</u></b>	<b><u>575,847</u></b>
<b>11 : Other current liabilities</b>		
Rent equalisation	3,013	-
<b>Total</b>	<b><u>3,013</u></b>	<b><u>-</u></b>
<b>12 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	297,345	366,872
Provision for tax	405,633	209,574
<b>Total</b>	<b><u>702,978</u></b>	<b><u>576,446</u></b>

Sonata Australia Pty Ltd. (Formerly known as Scalable Data Systems Pty Ltd.)  
Notes forming part of financial statements

	AUD				
	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
<b>13.1 : Revenue from operations</b>					
Revenue from software services	3,015,607	2,890,087	1,346,652	10,273,647	5,879,794
Revenue from hardware/software product and licenses	568,951	1,101,258	899,092	3,224,116	3,513,440
<b>Total</b>	<b>3,584,558</b>	<b>3,991,345</b>	<b>2,245,744</b>	<b>13,497,763</b>	<b>9,393,234</b>
<b>13.2 : Other income</b>					
Interest income	130	191	122	513	1,468
Miscellaneous income	42,106	(82,730)	14,473	192,282	121,218
<b>Total</b>	<b>42,236</b>	<b>(82,539)</b>	<b>14,595</b>	<b>192,795</b>	<b>122,686</b>
<b>14 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	1,287,611	1,221,911	1,130,293	4,917,400	3,118,704
Contributions to provident and other funds	131,752	133,031	79,559	521,563	311,719
Staff welfare expenses	2,571	3,789	866	12,235	4,231
<b>Total</b>	<b>1,421,934</b>	<b>1,358,730</b>	<b>1,210,718</b>	<b>5,451,198</b>	<b>3,434,654</b>
<b>15 : Other expenses</b>					
Rent	48,232	48,233	50,528	203,904	201,669
Repairs and maintenance - Machinery	2,443	5,226	3,505	13,637	10,565
Insurance	6,412	6,030	6,821	25,091	28,229
Rates and taxes	-	-	1,344	220	1,415
Communication cost	10,057	9,889	8,347	39,437	31,202
Facility maintenance	11,552	11,383	11,849	46,569	43,136
Travelling and conveyance expenses	9,249	1,766	1,999	16,339	8,371
Sales commission	7,929	9,437	22,873	36,605	48,373
Software Project fees	583,274	744,928	444,226	2,267,010	2,084,467
Professional and technical fees	25,097	7,425	2,050	40,737	15,850
Legal fees	1,800	-	-	1,800	-
Insourcing professional fees	234,093	179,964	2,640	513,399	107,211
Net loss on foreign currency transaction and translation	7,659	(18,852)	24,953	(2,568)	47,264
Provision for doubtful trade receivables	70,722	-	-	70,722	-
Miscellaneous expenses	103,929	78,147	74,634	395,422	201,201
<b>Total</b>	<b>1,122,447</b>	<b>1,083,576</b>	<b>655,769</b>	<b>3,668,325</b>	<b>2,828,953</b>

**SONATA SOFTWARE FZ LLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2022**

**SONATA SOFTWARE FZ LLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**SONATA SOFTWARE FZ LLC**

**OFFICERS AND PROFESSIONAL ADVISERS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**Company registration number**

17270

**Managers**

Srikar Reddy Palem (until 18 October 2021)  
Anantha Padmanabhan (until 9 July 2020)  
Jagannathan Chakravarthi Narasimhan (appointed 9  
September 2020)

**Registered office**

Desk-DOC  
Building-07  
Dubai Outsource City  
Dubai, United Arab Emirates

**Banker**

Standard Chartered Bank  
16<sup>th</sup> Floor  
Standard Chartered Tower  
Downtown Dubai  
P.O. Box 999  
Dubai, United Arab Emirates

**Auditors**

Russell Bedford Mohamed Al Hashmi  
Auditors and Accountants  
Office No. 26, Mezzanine Floor  
Rashid Al Makhawi Building  
P.O. Box 113178  
Dubai, United Arab Emirates



**SONATA SOFTWARE FZ LLC**

**THE REPORT OF THE GENERAL MANAGERS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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The general managers have pleasure in presenting their report and the financial statements for the year ended 31 March 2022.

**PRINCIPAL ACTIVITY**

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 as at 31 March 2022 are shown in the attached financial statements.

**GENERAL MANAGERS AND THEIR INTERESTS**

As at 31 March 2022, the general manager of the Company is Mr. Jagannathan Chakravarthi and he did not hold any shares in the company.

**INDEPENDENT AUDITORS**

Russell Bedford Mohamed Al Hashmi Auditors and Accountants 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 general managers on ..28th May 2022...and signed on their behalf by:



.....  
**Jagannathan Chakravarthi Narasimhan**  
General Manager

# Russell Bedford Mohamed Al Hashmi Auditors & Accountants

Office No. 26, Mezzanine Floor  
Rashid Al Makhawi Building  
Oud Metha Road  
Dubai, United Arab Emirates

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31 May 2022

The Shareholders  
Sonata Software FZ LLC  
Office # 2117  
Al Shatha Tower  
Dubai Internet City  
P.O Box 502818  
Dubai, United Arab Emirates

## **INDEPENDENT AUDITOR'S REPORT**

### **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 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### **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.

### **Emphasis of matter -Going Concern**

We draw attention to note 2 in the financial statements, which indicates that the Company has incurred a net loss of USD 152,973 for the year ended 31 March 2021 (2020: USD 228,201). As at that date, the accumulated losses amounted to USD 1,221,552 (2020: USD 1,068,579). As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **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 the financial statements that are free from material misstatement, whether due to fraud or error.

# Russell Bedford Mohamed Al Hashmi Auditors & Accountants

## Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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 Mohamed Al Hashmi*  
*Auditors and Accountants*

**Russell Bedford Mohamed Al Hashmi**  
**Auditors and Accountants**  
**Dubai, United Arab Emirates**



**SONATA SOFTWARE FZ LLC**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2022**

	Notes	2022 USD	2021 USD (As restated)
<b>ASSETS</b>			
NON - CURRENT ASSETS			
Tangible assets	7	-	180
Term deposit	11	198,112	198,112
Total non-current assets		<u>198,112</u>	<u>198,292</u>
CURRENT ASSETS			
Trade and other receivables	8	201,602	268,488
Cash and cash equivalents	9	141,973	568,358
Amounts due from related parties	13	771,534	791,638
Total current assets		<u>1,115,109</u>	<u>1,628,484</u>
<b>TOTAL ASSETS</b>		<u><u>1,313,221</u></u>	<u><u>1,826,776</u></u>
<b>LIABILITIES</b>			
NON - CURRENT LIABILITIES			
Provision for employees' end of service benefits	10	6,690	25,733
CURRENT LIABILITIES			
Trade and other payables	12	297,357	326,504
Amounts due to related parties	13	1,596,106	2,439,448
Total current liabilities		<u>1,893,463</u>	<u>2,765,952</u>
<b>TOTAL LIABILITIES</b>		<u><u>1,900,153</u></u>	<u><u>2,791,685</u></u>
<b>EQUITY</b>			
Share capital	14	136,129	136,129
Accumulated losses		(723,061)	(1,101,038)
Total equity		<u>(586,932)</u>	<u>(964,909)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>1,313,221</u></u>	<u><u>1,826,776</u></u>

The Independent Auditor's Report is set out on pages 3 and 4.

These financial statements were approved by the general managers and authorised for issue on 28th May 2022 and are signed on their behalf by:



.....  
**Jagannathan Chakravarthi Narasimhan**  
**General Manager**

**The notes on pages 9 to 23 form part of these financial statements**

**SONATA SOFTWARE FZ LLC****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2022**

---

		<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
	<b>Notes</b>		
Revenue	<b>4</b>	842,630	1,072,152
Cost of services		(327,019)	(668,764)
<b>GROSS PROFIT FOR THE YEAR</b>		<u>515,611</u>	<u>403,388</u>
General and administrative expenses	<b>5</b>	(135,341)	(398,935)
Interest expense		(30,713)	(36,912)
		<u>349,557</u>	<u>(32,459)</u>
Other income		28,420	-
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<u>377,977</u>	<u>(32,459)</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR</b>		<u><u>377,977</u></u>	<u><u>(32,459)</u></u>

The Independent Auditor's Report is set out on pages 3 and 4.

The notes on pages 9 to 23 form part of these financial statements

**SONATA SOFTWARE FZ LLC****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2022**

---

	<b>Share capital USD</b>	<b>Accumulated losses USD</b>	<b>Total USD</b>
At 1 April 2020	136,129	(1,068,579)	(932,450)
Loss for the year	<u>–</u>	<u>(32,459)</u>	<u>(32,459)</u>
At 31 March 2021	<u>136,129</u>	<u>(1,101,038)</u>	<u>(964,909)</u>
At 1 April 2021	136,129	(1,101,038)	(964,909)
Profit for the year	<u>–</u>	<u>377,977</u>	<u>377,977</u>
At 31 March 2022	<u>136,129</u>	<u>(723,061)</u>	<u>(586,932)</u>

The Independent Auditor's Report is set out on pages 3 and 4.

**SONATA SOFTWARE FZ LLC****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022**

---

	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) for the year	377,977	(32,459)
Adjustments for non-cash items:		
Expected credit loss allowance	-	29,825
Interest expense	30,713	36,912
Provision for employees' end of service benefits	4,209	5,893
Furniture's & Fixtures Written Off	107	
Depreciation and amortisation during the year	73	77
	<u>413,079</u>	<u>40,248</u>
<b>CHANGES IN WORKING CAPITAL</b>		
Change in trade and other receivables	66,886	221,497
Change in amounts due from related parties	20,104	3,716
Change in amounts due to related parties	(324,055)	18,236
Change in trade and other payables	(29,147)	201,983
Cash used in operating activities	<u>146,867</u>	<u>485,680</u>
Employees' end of service benefits paid	<u>(23,252)</u>	<u>(11,236)</u>
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	<u>123,615</u>	<u>474,444</u>
<b>CASH FLOWS GENERATED FROM FINANCING ACTIVITIES</b>		
Loans from a related party	<u>(550,000)</u>	<u>-</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(426,385)</u>	<u>474,444</u>
<b>CASH AND CASH EQUIVALENTS</b>		
At the beginning of the year	<u>568,358</u>	<u>93,914</u>
At the end of the year	<u>141,973</u>	<u>568,358</u>

The Independent Auditor's Report is set out on pages 3 and 4.

The notes on pages 9 to 23 form part of these financial statements

**1. Legal status and principal activities**

Sonata Software FZ LLC (“the Company”) was incorporated on 11 January 2009 and is registered in Dubai Internet City (“DIC”) in the Emirate of Dubai, United Arab Emirates. 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.

**2. Going concern**

These financial statements have been prepared on a going concern basis notwithstanding that the Company has incurred a net profit of USD 498,491 during the year ended 31 March 2022, (2021: Loss of USD 152,974), and as at that date, the accumulated losses amounted to USD 723,060 (2021: USD 1,221,552). Nevertheless, 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 shareholder 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 amounts 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 and presentation 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.

Judgements made by the management in the application of IFRS that have significant effect on the financial statements and estimates with significant risk of material adjustment in the next year are disclosed in Note 15.



**3. Basis of preparation and significant accounting policies (continued)****Use of estimates and judgements (continued)**

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

**Adoption of new standards and amendments**

New and amended standards which were effective as of 1 April 2021 and were either not relevant to the Company or did not have a material impact on the presentation and disclosure of items in the financial statements of the Company are as follows:

- Amendments to Definition of Business (Amendments to IFRS 3) and Definition of Material (Amendments to IAS 1 and IAS 8)
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 - Interest Rate Benchmark Reform – Phase 2
- Amendment to IFRS 16 – Covid-19-Related Rent Concessions

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**IASB standards and interpretation issued but not adopted**

The following new and amended standards and interpretations have been issued but were not mandatory for annual reporting period ended 31 March 2022:

	<b>Effective date</b>
• Amendments to IAS 1- Classification of Liabilities as Current or Non-current	on or after 1 January 2023
• Amendment to IFRS 17 - Insurance Contracts	on or after 1 January 2023
• Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	on or after 1 January 2023
• Amendment to IAS 8 – Definition of Accounting Estimates	on or after 1 January 2023
• Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	on or after 1 January 2023
• Amendments to IFRS 3 - Reference to the Conceptual Framework	on or after 1 January 2022
•	
• Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	on or after 1 January 2022
• Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract	on or after 1 January 2022
• Annual Improvements to IFRS Standards 2018-2020	on or after 1 January 2022
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	
- IAS 41 Agriculture – Taxation in fair value measurements	
- IFRS 16 Leases – Lease incentives	
• Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture.	deferred application date

**3. Basis of preparation and significant accounting policies (*continued*)**

**New standards and amendments issued but not effective for the current annual period (*continued*)**

Management anticipates that these new standards, interpretation and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

**Financial assets**

Classification

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

- Those to be measured subsequently at fair value (either through OCI “FVTOCI” or through profit or loss “FVTPL”); and
- Those to be measured at amortised cost.

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

Measurement

On initial recognition, a financial asset is classified as measured: at amortised cost, FVTOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTOCI or FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses if any.

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL or at amortised cost:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**3. Basis of preparation and significant accounting policies (*continued*)**

Measurement (*continued*)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that are not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level as this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about the future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets and measurement of ECL

For amounts due from related parties and trade and other receivables, the Company has applied the simplified approach permitted by IFRS 9. The simplified approach is applied to a portfolio of amounts due from a related party and other receivables that are homogenous in nature and carry similar credit risk. However, the simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Amounts due from related parties and trade and other receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on amounts due from a related party and other receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

**3. Basis of preparation and significant accounting policies (continued)**

Impairment of financial assets and measurement of ECL (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information.

At each reporting date, the Company assesses whether financial assets carried at amortised cost or debt financial assets carried at FVTOCI are credit-impaired (if any).

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; - the disappearance of an active market for a security because of financial difficulties.

**Other receivables**

Other receivables balances that are held to collect are subsequently measured at amortized cost.

**Prepayments**

Prepayments are expenses paid in advance and recorded as an asset before these are utilised. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments that are expected to be realised within 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as non-current assets.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held with banks, other short-term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value with original maturities of three months or less.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset.

**Financial liabilities**

The Company classifies non-derivative financial liabilities as amounts due to a related party and other payables. Amounts due to a related party and other payables are recognised initially at fair value. Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest method.

**3. Basis of preparation and significant accounting policies (continued)**

**Financial liabilities (continued)**

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss.

**Offsetting**

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company intends to settle on a net basis.

**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. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset not only when the reimbursement is virtually certain.

**Share capital**

Ordinary shares are classified as equity.

**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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

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.

**3. Basis of preparation and significant accounting policies (continued)**

**Impairment of tangible 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**Employees' end of service benefits**

The provision for employees' end of service benefits is based on the liability that would arise considering employees' accumulated period of service and current basic remuneration at the statement of financial position date and has been calculated in accordance with the UAE Labour Law.

**Revenue recognition**

Revenue is recognised at the time when the underlying service is provided to the customer.

**Revenue**

The Company recognises revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes all of the benefits provided by the Company as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If the Company does not satisfy its performance obligation over time, it satisfies it at a point in time. Revenue is recognised as contract activity progresses and the right to consideration is earned.

Revenue from the sale of services is therefore recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration which the Company expects to be entitled in exchange for the services provided to the customer.

The consideration expected by the Company may include fixed or variable amounts. Revenue is recognised when it transfers control over services to the customer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct services are accounted for separately based on their stand-alone selling prices. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

**Loans and other borrowings**

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on an accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

**3. Basis of preparation and significant accounting policies (continued)****Cost and expenses**

Cost 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 or its directors.

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.

**Foreign currency translation**Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**4. Revenue**

	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>Type of service</b>		
Revenue from providing value-based information technology (IT) solutions	842,630	1,072,152
	<u>                    </u>	<u>                    </u>
	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>Timing of revenue recognition:</b>		
Services rendered - point in time	567,258	895,765
Services rendered – over time	275,372	176,387
	<u>                    </u>	<u>                    </u>
	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>Customer relationship:</b>		
Related party customers (Note 12)	62,448	82,426
Saudi Railway Company (SAR)	780,182	989,726
	<u>                    </u>	<u>                    </u>

**SONATA SOFTWARE FZ LLC****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022**

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**4. Revenue (continued)**

	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
Kingdom of Saudi Arabia	780,182	989,726
India	62,448	82,426
	<u>842,630</u>	<u>1,072,152</u>

**5. Direct Cost**

	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
Software Project fees (Cost)	239,616	241,759
Other direct costs-Services	-	184,980
Salaries-Programmers	83,582	181,771
Programmer-Medical Insurance	3,820	7,565
Rent-Guest House	-	52,689
	<u>327,019</u>	<u>688,764</u>

**6. General and administrative expenses**

	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
Rent and maintenance	15,710	30,889
Salaries	3,617	31,389
Auditor's remuneration	9,393	9,491
Sales commission	-	275,000
Foreign exchange net loss and finance charges	(31)	235
Telephone and internet	887	6,448
Other administrative expenses	105,765	45,483
	<u>135,341</u>	<u>398,935</u>



SONATA SOFTWARE FZ LLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7. Tangible assets

	Leasehold improvements	Office equipment	Computers and peripherals	Furniture and fixtures	Total
	USD	USD	USD	USD	USD
<b>Cost</b>					
At 1 April 2020 and 31 March 2021	2,852	451	8,268	5,236	16,807
At 1 April 2021 and 31 March 2022	2,852	451	8,268	5,236	16,807
<b>Accumulated depreciation</b>					
At 1 April 2020	2,852	451	8,268	4,979	16,550
Charge during the year	-	-	-	77	77
At 31 March 2021	2,852	451	8,268	5,056	16,627
At 1 April 2021	2,852	451	8,268	5,056	16,627
Charge during the year	-	-	-	73	73
Written-off during the period	-	-	-	107	107
At 31 March 2022	2,852	451	8,268	4,906	16,807
<b>Net book value</b>					
<b>At 31 March 2022</b>	-	-	-	-	-
At 31 March 2021	-	-	-	180	180

**8. Trade and other receivables**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Trade receivables	189,016	294,148
Less: Expected credit loss allowance	(600)	(29,824)
Net trade receivables	188,416	264,324
Prepayments	7,842	1,465
Other receivables and deposits	5,344	2,699
	<u>201,602</u>	<u>268,488</u>

The movements in the expected credit loss allowance are as follows:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
At 1 April 2021	29,825	75,702
Provision during the year	-	29,825
Reversal during the year	(29,225)	(75,702)
At 31 March 2022	<u>600</u>	<u>29,825</u>

The Company's risk exposure and expected credit losses on other receivables and deposits are disclosed in Note 14.

**9. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Cash in bank	<u>141,973</u>	<u>568,358</u>

This includes cash balances in United States Dollar ("USD"), Qatari Rial ("QAR"), United Arab Emirates Dirham ("AED") current accounts with a commercial bank in the United Arab Emirates. The carrying amount of these assets is approximately equal to their fair value.

Management has concluded that the Expected Credit Loss ("ECL") for the bank balances are immaterial as these balances are held with a bank whose credit risk rating by international rating agencies has been assessed as low.

**10. Provision for employees' end of service benefits**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
At 1 April 2021	25,733	31,076
Provision for the year	4,209	5,893
Payment during the year	(23,252)	(11,236)
At 31 March 2022	<u>6,690</u>	<u>25,733</u>

**11. Term deposit**

The Company is required to maintain a cash margin of USD 198,112 with Standard Chartered Bank in respect of the bank guarantee issued to Saudi Rail Company. The cash margin cannot be withdrawn or used by the Company for liquidity purposes whilst the guarantee is outstanding. Upon maturity of the guarantee on 26 April 2022, the Company and the Bank intend to settle the cash margin deposit.

**12. Trade and other payables**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Trade creditors	7,650	2,071
Accrued salaries and benefits	1,463	11,131
Accrued sales commission	275,000	288,767
Accrued other expenses	13,142	17,554
Other payables	98	6,981
	<u>297,357</u>	<u>326,504</u>

**13. 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. Related parties comprise companies and entities under common control ownership and/or common management and control and key management personnel. These transactions have been carried out on the basis of the terms agreed between the Company and the management of the related parties.

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

	<b>For the year</b>	<b>For the year</b>
	<b>ended</b>	<b>ended</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>USD</b>	<b>USD</b>
Operational charges to related parties	589,172	288,799
Reimbursement of expenses	24,927	12,572
Interest expense on loans	30,713	36,912

The following balances were outstanding at the end of the reporting year:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Amounts due from related parties</b>		
Sonata Software (Qatar) LLC (Entity under common control)	735,835	763,026
Mohamed Nasser Abdullah Al Misnad (Joint venture)	28,422	28,422
Sonata Software Limited (Shareholder)	7,277	190
	<u>771,534</u>	<u>791,638</u>
<b>Amounts due to related parties</b>		
Sonata Software Limited (Shareholder)	25,394	77,831
Sonata Software North America Inc.* (Entity under common control)	1,570,712	2,361,617
	<u>1,596,106</u>	<u>2,439,448</u>

\*The Company obtained loans from Sonata Software North America with an average interest rate of 2% per annum. The outstanding loan amount as at 31<sup>st</sup> March 2022 is 1,540,000 and is repayable on demand. The total interest expenses accrued amounted to USD 271,617 while USD 30,713 and USD 36,912 were the interest expenses for the year ended 31 March 2022 and 31 March 2021, respectively.

**14. Share capital**

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

	2022		2021	
	Number of shares	Amount USD	Number of shares	Amount USD
Authorised shares of AED 1,000 each (converted to USD at the rate of 3.673 each)	500	136,129	500	136,129
Issued and paid	500	136,129	500	136,129

**15. Financial instruments**

	2022		2021	
	Carrying amount USD	Fair value USD	Carrying amount USD	Fair value USD
<b>Financial assets</b>				
Cash and cash equivalents	141,973	141,973	568,358	568,358
Amounts due from related parties	771,534	771,534	791,638	791,638
Trade and other receivables	193,760	193,760	268,488	268,488
Term deposit	198,112	198,112	198,112	198,112
<b>Financial liabilities</b>				
Trade and other payables	297,357	297,357	326,504	326,504
Amounts due to related parties	1,596,106	1,596,106	2,439,448	2,439,448
Provision for employee's end of service benefits	6,690	6,690	25,733	25,733

The fair value of financial assets and liabilities approximate the book value at 31 March 2022. Accounting policies for financial assets and financial liabilities are set out in Note 3. Trade and other receivables exclude prepayments.

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 is potentially exposed to concentration of credit risk from its financial assets which is comprised primarily of bank balance, trade and other receivables and amounts due from related parties.

*Bank balance*

Credit risk from bank is managed in accordance with the Company's policy. The Company's bank account is placed only with high credit quality financial institution. Expected credit loss for bank balance is disclosed in Note 8.

*Trade and other receivables, amounts due from related parties and term deposit*

The credit risk on amounts due from trade and other receivables and related parties are subjected to credit evaluations. The Company assesses the credit quality of the trade and other receivables and related parties, taking into account its financial position, past experience and other factors. Outstanding receivable balances are regularly monitored. Expected credit loss for trade receivables is disclosed in Note 7. The Company assesses that there are no estimated credit losses in the amounts due from related parties, other receivables and term deposit.

**15. Financial instruments (continued)***Other financial assets*

With respect to credit risk arising from other financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

*Currency risk*

The Company has some transactions in QAR and AED and accordingly is subject to currency risk from the fluctuation of exchange rates between USD these currencies. Since Saudi Riyal and AED are pegged against USD, the risk of exchange rate fluctuation is minimized. The Company continuously monitors the foreign exchange rate fluctuations and in the event of any significant risk, the management will discuss on how to minimise the risk.

*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.

**15. Accounting estimates and judgments**

There were no 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.

**16. 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.

**17. 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:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Less than one year	7,424	13,067

**18. Contingent Liabilities and Commitments***Contingent Liabilities*

As at 31 March 2022, there are no known legal proceedings or other contingent liabilities against the Company (2021: Nil).

*Commitments*

The Company does not have any significant capital commitments as at 31 March 2022 (2021: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**19. Comparative figures**

Prior year's figures have been reclassified, where necessary, to conform to the current year's presentation. These reclassifications had no effect on the reported results of operations.

**20. Significant event – COVID 19**

The COVID-19 pandemic has developed rapidly in 2020 with a significant number of cases. Measures taken by UAE government to contain the virus have affected economic activity. Accordingly, management has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for the Company's people (such as social distancing and working from home) and securing the data workflow. Also, the Company is continuing to monitor the impact of COVID-19 on its financial performance. To date, no significant impact on the credit risk or instances of default has been noted by the management.

**21. Restatement**

The Company's management has restated previously reported financial statements as at and for the year ended 31 March 2021. The restatement is due to non-accrual of the relevance of the revenue pertains to 2021 and was subsequently recognised in the current year. Therefore, in accordance with the provisions of the International Accounting Standard 8: Accounting Policies Changes in Accounting Estimates and Errors, the prior year figures for the year ended 31 March 2021 have been restated. The effects of the restatement on prior year figures are summarised below:

	<b>31 Mar 2021</b>
	<b>USD</b>
Revenue is increased by	120,514
Beginning retained earnings is increased by	120,514
	<u><u>          </u></u>

**22. Comparative figures**

Comparative figures have been adjusted to conform to the current year's presentation. The items were restated as follows:

	<b>Previously reported 31 Mar 2021 USD</b>	<b>After restatement 31 Mar 2021 USD</b>
Revenue	951,638	842,631
Loss for the year	(152,973)	(32,459)
Trade and other receivables	147,974	268,488

**23. Subsequent events**

There are no post balance sheet events that require disclosure in the financial statements.



**SRP** GmbH  
Steuerberatungsgesellschaft

## FINANCIAL STATEMENTS

as at 31 March 2022

**Sonata Software GmbH**

Beethovenstraße 5

60325 Frankfurt am Main

Certification of independent auditors


We have reviewed the accompanying balance sheet of Sonata Software GmbH as of March 31, 2022 and the related profit and loss account for the period April 1, 2021 to March 31, 2022. These financial statements are in the responsibility of the management of Sonata Software GmbH. Our responsibility is to express an opinion on these financial statements based on our review.

We conducted our review in accordance with reviewing standards generally accepted by the auditing profession in Germany. Those standards require that we plan and perform the review to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial situation of Sonata Software GmbH as of March 31, 2022 and the results of its operations for the aforesaid period, in conformity with accounting principles generally accepted in Germany.

Sonata Software GmbH is a wholly owned subsidiary of Sonata Software Limited.

Cologne, 13 April 2022

  
SRP GmbH  
Steuerberatungsgesellschaft



## Balance Sheet as at 31/03/2022

## Sonata Software GmbH

## Frankfurt am Main

## ASSETS

## TOTAL EQUITY AND LIABILITIES

	Financial Year EUR	Prior Year EUR		Financial Year EUR	Prior Year EUR
<b>A. Current assets</b>	187,283.28	278,625.18	<b>A. Equity</b>	81,558.57	204,655.90
			<b>B. Provisions</b>	85,900.00	47,618.00
			<b>C. Liabilities</b>	19,824.71	26,351.28
			- of which remaining term up to 1 year EUR 19,824.71 (EUR 26,351.28)		
	<u><b>187,283.28</b></u>	<u><b>278,625.18</b></u>		<u><b>187,283.28</b></u>	<u><b>278,625.18</b></u>

## Income Statement from 01/04/2021 to 31/03/2022

**Sonata Software GmbH  
Frankfurt am Main**

	Financial Year EUR	Prior Year EUR
1. Sales	307,873.26	369,144.61
2. Other income	57,124.56	94,020.90
3. Personnel expenses	411,644.85	421,366.60
4. Other expenses	64,217.93	52,051.90
5. Taxes	12,232.37	0.00
<b>6. Net loss for the financial year</b>	<b><u>123,097.33</u></b>	<b><u>10,252.99</u></b>

Frankfurt am Main, 13 April 2022

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Ramarao Sathyanarayana  
Managing Director

Accounts as at 31/03/2022

**Sonata Software GmbH****Frankfurt am Main****ASSETS**

Account Description	EUR	Financial Year EUR	Prior Year EUR
<b>Current assets</b>			
1200 Trade receivables	51,467.51		26,532.15
1340 Receivables from employees (payroll)	0.00		2,985.29
1350 Security deposits	1,060.00		1,060.00
1434 Input tax ded. following period/year	370.60		361.00
1435 Receivables from trade tax overpaymts	15,410.00		19,836.00
1450 Reclaimed corporate income tax	14,886.03		22,043.03
1457 Receivables Bundesagentur für Arbeit	0.00		11,267.32
1800 HypoVereinsbank # 364 624 700	<u>104,089.14</u>		<u>194,540.39</u>
		187,283.28	278,625.18
		<b><u>187,283.28</u></b>	<b><u>278,625.18</u></b>

Accounts as at 31/03/2022

**Sonata Software GmbH****Frankfurt am Main****TOTAL EQUITY AND LIABILITIES**

Account Description	EUR	Financial Year EUR	Prior Year EUR
<b>Equity</b>			
Net loss for the financial year	123,097.33-		10,252.99-
2900 Subscribed capital	25,000.00		25,000.00
2920 Capital reserves	25,000.00		25,000.00
2970 Retained profits bef apprprtn net profit	<u>154,655.90</u>		<u>164,908.89</u>
		81,558.57	204,655.90
<b>Provisions</b>			
3070 Other provisions	2,500.00		5,618.00
3079 Provisions for vacation pay	80,900.00		39,500.00
3095 Provsns period-end closing/ audit costs	<u>2,500.00</u>		<u>2,500.00</u>
		85,900.00	47,618.00
<b>Liabilities</b>			
3300 Trade payables	6,922.39		6,069.00
3450 Liabltls other I-t investees/investors	0.00		13,350.00
3730 Wage and church tax payables	<u>3,269.50</u>		<u>2,860.99</u>
	10,191.89		22,279.99
1405 Deductible input tax, 16%	0.00		1,618.72-
1406 Deductible input tax, 19%	8,216.64-		6,946.60-
3805 VAT, 16%	0.00		19,194.40
3806 VAT, 19%	48,074.82		21,917.37
3820 VAT prepayments	34,485.52-		32,546.45-
3830 VAT prepayments 1/11	3,107.00-		2,808.00-
3840 VAT, current year	<u>7,367.16</u>		<u>6,879.29</u>
	9,632.82		4,071.29
		19,824.71	26,351.28
<b>of which remaining term up to 1 year</b>			
<b>EUR 19,824.71 (EUR 26,351.28)</b>			
3300 Trade payables			
3450 Liabltls other I-t investees/investors			
3730 Wage and church tax payables			
1405 Deductible input tax, 16%			
1406 Deductible input tax, 19%			
3805 VAT, 16%			
3806 VAT, 19%			
3820 VAT prepayments			
3830 VAT prepayments 1/11			
3840 VAT, current year			
		<u><u>187,283.28</u></u>	<u><u>278,625.18</u></u>

## Income Statement Accounts from 01/04/2021 to 31/03/2022

## Sonata Software GmbH

## Frankfurt am Main

Account	Description	EUR	Financial Year EUR	Prior Year EUR
<b>Sales</b>				
4336	Tax-exemt other serv. s. 18b UStG	0.00		111,095.00
4338	Tax-exempt sales 3rd country	79,925.00		22,730.00
4400	Revenue, 19% VAT	<u>227,948.26</u>		<u>235,319.61</u>
			307,873.26	369,144.61
<b>Other income</b>				
4830	Other operating income	12,274.82		57,561.01
4930	Income from reversal of provisions	11,800.00		36,183.12
4960	Prior - period income	<u>33,049.74</u>		<u>276.77</u>
			57,124.56	94,020.90
<b>Personnel expenses</b>				
6000	Wages and salaries	0.00		30,724.23
6020	Salaries	292,125.06		300,059.16
6076	Exp. chge. prov. vac. pay	53,200.00		0.00
6110	Statutory social security expenses	65,120.43		90,583.21
6120	Contrib. to occup. health/safety agency	<u>1,199.36</u>		<u>0.00</u>
			411,644.85	421,366.60
<b>Other expenses</b>				
6310	Rent (immovable property)	3,300.00		3,312.00
6400	Insurance premiums	636.46		0.00
6420	Contributions	538.60		531.32
6436	Late filing penalties/ admin. fines	50.00		0.00
6437	N-tx deductbl l.filg. penlts/admin. fines	50.00		0.00
6650	Employee travel expenses	368.26		2,720.58
6800	Postage	88.64		85.73
6805	Telephone	0.00		2.00
6825	Legal and consulting expenses	14,487.29		16,472.88
6827	Period-end closing and audit costs	2,500.00		2,500.00
6830	Bookkeeping expenses	17,370.00		12,715.00
6831	Payroll accounting costs	8,370.00		10,940.00
6855	Incidental monetary transaction costs	772.43		763.06
6960	Prior-period expenses	<u>15,686.25</u>		<u>2,009.33</u>
			64,217.93	52,051.90
<b>Taxes</b>				
7600	Corporate income tax	14,108.00		0.00
7604	Corp. incm tax refunds prior years	299.00-		0.00
7607	Solidarity surcharge refunds prior years	16.55-		0.00
7608	Solidarity surcharge	775.92		0.00
7641	Backp/refunds trade tax pr yrs, s 4/5	<u>2,336.00-</u>		<u>0.00</u>
			12,232.37	0.00
<b>Net loss for the financial year</b>			<b><u>123,097.33</u></b>	<b><u>10,252.99</u></b>

Receivables And Payables as at 31/03/2022

**Sonata Software GmbH****Frankfurt am Main**LIST OF RECEIVABLES  
DEBTORS WITH DEBIT BALANCES

Account	Description	EUR	Financial Year EUR	Prior Year EUR
10201	Computacenter AG & Co. oHG	0.00		9,947.23
11801	Sonata Europe Limited	0.00		7,830.00
11901	TUI InfoTec GmbH	<u>51,467.51</u>		<u>8,754.92</u>
			51,467.51	26,532.15
			<u><b>51,467.51</b></u>	<u><b>26,532.15</b></u>

Receivables And Payables as at 31/03/2022

**Sonata Software GmbH**

**Frankfurt am Main**

**LIST OF PAYABLES  
CREDITORS WITH CREDIT BALANCES**

Account	Description	EUR	Financial Year EUR	Prior Year EUR
71200	KPMG AG	4,601.29		0.00
71704	o & m office & more GmbH & Co.KG (ehem.	6.55		0.00
71800	Sunita Phadnis-Otto	0.00		3,808.00
72102	SRP GmbH Steuerberatungsgesellschaft	<u>2,314.55</u>		<u>2,261.00</u>
			6,922.39	6,069.00
			<u><b>6,922.39</b></u>	<u><b>6,069.00</b></u>

### **Identifying Information according to Commercial Register**

Company Name acc. to  
Commercial Register: Sonata Software GmbH

Place of the company: Frankfurt am Main

Register Entry: Handelsregister

Register Court: Frankfurt am Main

Register No. 74245



# General terms and conditions for German tax advisors (*Steuerberater, Steuerbevollmächtigte*) and firms of tax advisors (*Steuerberatungsgesellschaften*)

as of July 2018

These “general terms and conditions” shall govern contracts between German qualified tax advisors (*Steuerberater, Steuerbevollmächtigte*) as well as firms of tax advisors (*Steuerberatungsgesellschaften*) (hereinafter collectively referred to as the ‘Tax Advisors’, and each of them a ‘Tax Advisor’) and their clients (*Auftraggeber*), unless otherwise expressly agreed in text form (*Textform*) or prescribed by law.

## 1. Scope and execution of the engagement

- (1) The scope of the services to be rendered by the Tax Advisor shall be governed by the specific engagement. The engagement shall be executed in accordance with the principles of proper professional practice and in compliance with the relevant rules of professional conduct and professional obligations (cf. German Act Regulating the Profession of Tax Advisors [*Steuerberatungsgesetz – StBerG*] [hereinafter “StBerG”], German Professional Code of Conduct for Tax Advisors [*Berufsordnung der Steuerberater – BOSTB*]).
- (2) Foreign law shall only be taken into account if this has been expressly agreed in text form.
- (3) In the event that the legal position changes after a matter has been conclusively completed, the Tax Advisor shall not be under any obligation to alert the client to such change or the resulting implications.
- (4) The review of the documents and figures provided to the Tax Advisor, in particular the accounts and balance sheet, with regard to accuracy, completeness and conformity with applicable rules shall not form part of the engagement unless otherwise expressly agreed in text form. The Tax Advisor will assume that the information provided by the client, in particular the figures, is correct and will use it as a basis for his/her work. To the extent that he/she detects any evident inaccuracies, the Tax Advisor shall be obliged to point them out.
- (5) The engagement shall not be deemed to constitute an authorization to represent the client before public authorities, courts and other bodies. Such authorization would need to be granted separately. Where, owing to the client’s absence, it proves impossible to coordinate with him/her as to the filing of legal remedies, the Tax Advisor shall be deemed, in case of doubt, to be both authorized and obliged to take action with a view to meeting a deadline.

## 2. Duty of confidentiality

- (1) In accordance with the law, the Tax Advisor shall be under a duty to maintain confidentiality with regard to all facts that have come to his/her attention in connection with the execution of the engagement unless the client releases him/her from this duty. The duty of confidentiality shall continue even beyond a termination of the contractual relationship. The duty of confidentiality shall apply, to the same extent, to the Tax Advisor’s staff.
- (2) The duty of confidentiality shall not apply to the extent that a disclosure is necessary in order to protect the Tax Advisor’s legitimate interests. Furthermore, the Tax Advisor is hereby released from the duty of confidentiality to the extent that, under the terms and conditions of his/her professional liability insurance, he/she has a duty to provide information and cooperate.
- (3) The foregoing shall not affect any statutory rights to refuse to provide information or to refuse to testify under sect. 102 German General Tax Code (*Abgabenordnung – AO*), sect. 53 German Code of Criminal Procedure (*Strafprozessordnung – StPO*) and sect. 383 German Code of Civil Procedure (*Zivilprozessordnung – ZPO*).
- (4) The Tax Advisor is hereby released from the duty of confidentiality to the extent that (i) this is necessary for purposes of carrying out a certification audit in the Tax Advisor’s firm and (ii) the individuals who are acting in this regard, for their part, have been instructed as to their duty of confidentiality. The client hereby agrees that the person carrying out the certification/audit may inspect the client file which was created and is being maintained by the Tax Advisor.

## 3. Involvement of third parties

The Tax Advisor shall be entitled to involve staff and, subject to the prerequisites of sect. 62a StBerG, also external service providers (in particular data-processing companies) for purposes of carrying out the engagement. The bringing-in of third-party experts (e.g. other Tax Advisors, auditors, German qualified attorneys [*Rechtsanwälte*]) shall require consent and instruction on the part of the client. Without having been instructed by the client, the Tax Advisor shall be neither entitled nor obliged to bring in such third parties.

## 3a. Electronic communication, data protection<sup>1)</sup>

- (1) In the context of the engagements, the Tax Advisor shall be entitled to electronically collect personal data of the client and to process such data in an automated file or to transmit such data to a service computer center for further processing of the data related to the engagement.
- (2) In order to satisfy his/her obligations under the EU General Data Protection Regulation (hereinafter “GDPR”) and the German Federal Data Protection Act (*Bundesdatenschutzgesetz – BDSG*), the Tax Advisor shall be entitled to appoint a data-protection officer. Unless this data-protection officer is already subject to a duty of confidentiality under clause 2(1) sent. 3 above, the Tax Advisor shall ensure that the data-protection officer, upon taking up his/her activity, shall undertake to maintain data secrecy.
- (3) To the extent that the client wants to communicate with the Tax Advisor via a fax line or an e-mail address, the client must share in the costs for setting up and maintaining the use of signature procedures and encryption procedures of the Tax Advisor (e.g. for acquiring and setting up any necessary software and/or hardware).

## 4. Remedying of deficiencies

- (1) The client shall have a right to demand that any deficiencies be remedied. The Tax Advisor must be afforded an opportunity to take remedial action. If and to the extent that the engagement constitutes a contract for services (*Dienstvertrag*) within the meaning of sects. 611, 675 German Civil Code (*Bürgerliches Gesetzbuch – BGB*) (hereinafter “BGB”), the client may refuse any remedial action by the Tax Advisor if the engagement is terminated by the client and the deficiency is detected only after the engagement has been validly terminated.
- (2) Should the Tax Advisor fail to remedy the asserted deficiencies within a reasonable period or refuse to remedy the deficiencies, then the client may, at the Tax Advisor’s expense, have the deficiencies remedied by another Tax Advisor and/or — at the client’s choice — demand a reduction of the fees or rescission of the contract.
- (3) The Tax Advisor may at any time, also vis-à-vis third parties, correct obvious inaccuracies (e.g. clerical errors, or errors in calculation). Other deficiencies may be corrected by the Tax Advisor vis-à-vis third parties subject to the client’s consent. Such consent shall not be required where the Tax Advisor’s legitimate interests take precedence over the client’s interests.

## 5. Liability

- (1) The liability of the Tax Advisor and his/her ‘persons employed in performing a contractual obligation for whom the Tax Advisor is vicariously liable’ [*Erfüllungsgelhilfen*] (hereinafter the ‘Vicarious Agents’) for any loss/damage resulting from one breach of duty or — in the context of a uniform injurious effect (*einheitliche Schadensfolge*) — from several breaches of duty on the occasion of executing an engagement shall be capped at EUR \_\_\_\_\_<sup>2)</sup> (in words: \_\_\_\_\_ euros). The limitation of liability shall apply in relation to negligence only; liability for intent shall not be subject to such limitation. Liability claims in relation to any loss/damage arising from injuries to life, body or health shall be excluded from this limitation of liability. The limitation of liability shall apply to the Tax Advisor’s entire activity for the client, i.e. also, in particular, to an extension to the scope of the engagement; in this regard, there shall be no need for agreeing the limitation of liability again. The limitation of liability shall also apply in the case of the establishment of a joint practice (*Sozietät*) / partnership company (*Partnerschaft*) and assumption of the engagement by the joint practice / partnership company as well as for partners

1) Moreover, for purposes of the processing of personal data, a legal basis under art. 6 EU General Data Protection Regulation (“GDPR”) must be applicable. That norm merely lists the legal bases for a lawful processing of personal data. In addition, the Tax Advisor must fulfill the duty to provide certain information, under sects. 13 or 14 GDPR, by way of furnishing additional information. In this regard please note the comments and explanations contained in the instruction leaflet regarding forms no. 1005 “data-protection information for clients” and no. 1006 “data-protection information regarding the processing of staff data”.

2) Please insert amount as appropriate. In order to be able to take advantage of this provision, an amount of at least EUR 1 million must be specified, and the contractual amount insured must be at least EUR 1 million for the individual damage event; otherwise clause 5 needs to be deleted. In that case it must be seen to it that the liability-related agreement to be reached in the form of an individual contract contain a provision that corresponds to clause 5(2). Please also refer to the further comments contained in instruction leaflet no. 1001.



who join the joint practice / partnership company. Furthermore, the limitation of liability shall also apply vis-à-vis third parties to the extent that these fall within the scope of protection of the engagement; in this regard, sect. 334 BGB is expressly not waived. Any agreements, contained in individual contracts, providing for a limitation of liability shall take precedence over this provision but — unless otherwise expressly stipulated — shall not affect the validity of this provision.

- (2) Provided there was a sufficiently high insurance cover in place, the limitation of liability shall apply retroactively from the beginning of the engagement or, as the case may be, from the point of taking out higher insurance cover. If the scope of the engagement is subsequently modified or expanded, then the limitation of liability shall also extend to these cases.

#### 6. Duties on the part of the client; client's failure to cooperate and client's default of acceptance

- (1) The client shall be obliged to cooperate to the extent that this is necessary in order for the engagement to be duly executed. In particular, he/she shall submit to the Tax Advisor, unprompted, a complete set of all documents necessary in order to execute the engagement; such submission shall occur in such a timely manner as to afford the Tax Advisor a reasonable processing time. The same shall apply with regard to briefings about all events and circumstances which may be of importance for purposes of executing the engagement. The client shall be obliged to take note of all written and oral communications issued by the Tax Advisor and to consult him/her when in doubt.
- (2) The client shall refrain from anything that may prejudice the independence of the Tax Advisor or the Tax Advisor's Vicarious Agents.
- (3) The client hereby undertakes to pass on the results of the Tax Advisor's work only with the Tax Advisor's consent unless the consent to such results being passed on to a specific third party already flows from the content of the engagement.
- (4) Should the Tax Advisor employ data-processing programs at the client's premises, then the client shall be obliged to comply with the instructions by the Tax Advisor with regard to installation and application of such programs. In addition, the client shall be obliged to only use the programs within the scope prescribed by the Tax Advisor, which shall also be the scope of use to which the client is entitled. The client must not disseminate the programs. The Tax Advisor shall remain the owner of the rights of use. The client shall refrain from anything which constitutes an obstacle to the exercise by the Tax Advisor of the rights of use with regard to the programs.
- (5) Should the client fail to comply with a duty to cooperate incumbent on him/her under clause 6(1)–(4) or as provided for elsewhere or be in default of acceptance in relation to the services tendered by the Tax Advisor, then the Tax Advisor shall have the right to terminate the contract without notice (cf. clause 9(3)). This shall not affect the Tax Advisor's claim to be compensated for the additional expenses incurred by him/her owing to the client's default or failure to cooperate as well as for any loss/damage caused, even in the event that the Tax Advisor opts not to exercise his/her right of termination.

#### 7. Copyright protection

The services rendered by the Tax Advisor constitute his/her intellectual property. They are protected by copyright. Beyond their intended use, work results may be passed on only upon prior written consent by the Tax Advisor.

#### 8. Fees, advance payment and offsetting

- (1) The Tax Advisor's fees (professional fees and reimbursement of out-of-pocket expenses) for his/her professional activity in accordance with sect. 33 StBerG shall be determined pursuant to the German Regulation on Tax Advisors' Fees (*Steuerberatervergütungsverordnung – StBVV*) (hereinafter "StBVV"). Fees above or below the statutory fees may be agreed in text form. Agreeing fees below the statutory fees is permissible in out-of-court matters only. Such lower fees must bear an adequate relation to the services, responsibility and liability risk of the Tax Advisor (sect. 4(3) StBVV).
- (2) For activities not dealt with in the Regulation on Fees (e.g. sect. 57(3) nos. 2 and 3 StBerG), the applicable fees shall be those agreed; otherwise, the fees determined by statute for such activity; or else the customary fees (sects. 612(2) and 632(2) BGB).
- (3) Only claims that are undisputed or have been determined with final and absolute effect (*rechtskräftig*) may be set off against a fee claim of the Tax Advisor.
- (4) The Tax Advisor shall be entitled to request an advance payment for professional fees and out-of-pocket expenses already incurred or expected to be incurred. In the event that the requested advance payment is not made, the Tax Advisor may, upon prior notice, cease working for the client until the advance payment is received. Where a cessation of work may adversely affect the client, the Tax Advisor shall be obliged to notify the client, in a timely manner, of the Tax Advisor's intention to cease working.

#### 9. Termination of the contract

- (1) The contract shall terminate upon completion of the services, upon expiry of the agreed term, or by giving notice. The contract shall not terminate upon the client's death or upon the client becoming legally incapacitated or, in the case of a company, upon the company's dissolution.
- (2) If and to the extent that the contract constitutes a contract for services within the meaning of sects. 611, 675 BGB, either party may terminate the contract for cause (*außerordentlich*) except in the case of a service relationship with fixed earnings (*Dienstverhältnis mit festen Bezügen*), sect. 627(1) BGB; notice must be given in text form. Any deviation from the foregoing in individual cases shall require an agreement to be negotiated between the Tax Advisor and the client.
- (3) In order to prevent legal disadvantages for the client, upon termination of the contract by the Tax Advisor the Tax Advisor must, in any event, still take those actions which may reasonably be expected of him/her and which ought not to be postponed (e.g. application for the extension of a deadline which is about to expire).
- (4) The Tax Advisor shall be obliged to hand over to the client anything the Tax Advisor receives or has received for purposes of executing the engagement and anything the Tax Advisor obtains in the context of the management of the affairs of another (*Geschäftsbesorgung*). In addition, the Tax Advisor shall be obliged, upon request, to provide the client with a progress report and to render account for the Tax Advisor's activities.
- (5) Upon termination of the contract, the client must promptly hand over to the Tax Advisor the data-processing programs employed at the client's office for purposes of executing the engagement, including any copies created, as well as any other program documents, and/or delete them from the hard drive.
- (6) Upon termination of the engagement, the documents must be collected from the Tax Advisor.
- (7) In the event that the engagement terminates before it has been completed, the Tax Advisor's fee claim shall be governed by statute. Any deviation from the foregoing in individual cases shall require a separate agreement in text form.

#### 10. Storage, delivery and right of retention with regard to work results and documents

- (1) The Tax Advisor must store the client files for a period of ten years after the engagement has terminated. However, this obligation shall expire before the above period has elapsed if the Tax Advisor has asked the client to take receipt of the client files and the client has failed to comply with such request within six months of having received it.
- (2) 'Client files' within the meaning of para. 1 shall only include such documents as have been obtained by the Tax Advisor, on the occasion of his/her professional activity, from or for the client; by contrast, they shall not include the correspondence between the Tax Advisor and his/her client and the documents which the client has already received in the original or as a copy as well as the working papers produced for internal purposes (sect. 66(3) StBerG).
- (3) At the request of the client, but no later than after termination of the engagement, the Tax Advisor shall hand over the client files to the client within a reasonable period. The Tax Advisor may create and retain copies or photocopies of documents which he/she returns to the client.
- (4) The Tax Advisor may refuse to hand over the client files until his/her fees and out-of-pocket expenses have been settled. This shall not apply to the extent that withholding the client files and the individual documents would be unreasonable under the circumstances (sect. 66(2) sent. 2 StBerG).

#### 11. Miscellaneous

The engagement, its execution and the claims resulting therefrom shall be exclusively governed by German law. The place of performance shall be the client's place of residence unless he/she is a merchant (*Kaufmann*), legal person under public law, or special fund (*Sondervermögen*) under public law; otherwise, the place of performance shall be the professional establishment of the Tax Advisor. The Tax Advisor is — not — prepared to participate in dispute-resolution proceedings before a consumer conciliation body (sects. 36, 37 German Act on Alternative Dispute Resolution in Consumer Matters [*Gesetz über die alternative Streitbeilegung in Verbrauchersachen – VSBG*]).<sup>3)</sup>

#### 12. Validity in the event of partial nullity

Should individual provisions of these terms and conditions of engagement be or become invalid, then this shall not affect the validity of the remaining provisions.

3) Where it is desired for dispute-resolution proceedings to be carried out before the consumer conciliation body, delete the word 'not'. In this case, the relevant consumer conciliation body, along with its physical address and website, needs to be specified.

**SONATA SOFTWARE (QATAR) LLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2022**

**SONATA SOFTWARE (QATAR) LLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**SONATA SOFTWARE (QATAR) LLC**

**OFFICERS AND PROFESSIONAL ADVISERS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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<b>Company registration number</b>	51072
<b>General Manager</b>	Mr. Mysore Prasad
<b>Registered office</b>	Office 543, Regus Business Centre 5th Floor, Gath Building Fereej Bin Mahmood South Near Ramada Junction P.O. Box 47095 Doha, Qatar
<b>Bankers</b>	Standard Chartered Bank Level 17, Doha Tower P.O. Box 29 Doha, Qatar
<b>Auditors</b>	Russell Bedford Mohamed Al Hashmi Auditors and Accountants Office No. 26, Mezzanine Floor Rashid Al Makhawi Building Oud Metha Road Dubai, United Arab Emirates

**SONATA SOFTWARE (QATAR) LLC**

**THE REPORT OF THE GENERAL MANAGER**

**FOR THE YEAR ENDED 31 MARCH 2022**

---

The general managers has pleasure in presenting his report and the financial statements for the year ended 31 March 2022.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are software development and information technology consulting.

**RESULTS**

The results for the year and the Company's financial position as at 31 March 2022 are shown in the attached financial statements.

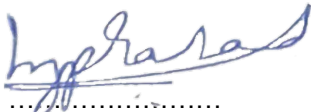
**GENERAL MANAGER**

As at 31 March 2022, the general manager of the Company is Mr. Mysore Prasad and he did not hold any shares in the Company.

**INDEPENDENT AUDITORS**

Russell Bedford Mohamed Al Hashmi Auditors and Accountants 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 ...28th May 2022.... and signed by:



.....  
Mr. Mysore Prasad  
General Manager

# Russell Bedford Mohamed Al Hashmi Auditors & Accountants

Office No. 26, Mezzanine Floor  
Rashid Al Makhawi Building  
Oud Metha Road  
Dubai, United Arab Emirates

T: +971 4 875 2100  
E: info@rb-dubai.com  
W: www.rb-dubai.com

31 May 2022

The Shareholders  
Sonata Software (Qatar) LLC  
Office 543, Regus Business Centre  
5th Floor, Gath Building  
Fereej Bin Mahmood South  
Near Ramada Junction  
P.O. Box 47095  
Doha, Qatar

## **INDEPENDENT AUDITOR'S REPORT**

### **Opinion**

We have audited the financial statements of Sonata Software (Qatar) LLC (the "Company") which comprise the statement of financial position as at 31 March 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### **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.

### **Emphasis of matter- Going Concern**

We draw attention to note 2 in the financial statements, which indicates that the Company has incurred a net loss of USD 47,358 for the year ended 31 March 2022 (2021: USD 35,231). As at that date, the net current liability amounted to USD 711,728 (2021: USD 664,370) and the accumulated losses amounted to USD 766,808 (2021: USD 719,450). As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **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 the financial statements that are free from material misstatement, whether due to fraud or error.

# Russell Bedford Mohamed Al Hashmi Auditors & Accountants

## Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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 Mohamed Al Hashmi*  
*Auditors and Accountants*

**Russell Bedford Mohamed Al Hashmi**  
**Auditors and Accountants**  
**Dubai, United Arab Emirates**



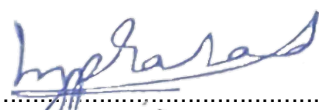


**SONATA SOFTWARE (QATAR) LLC****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

	Notes	2022 USD	2021 USD
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	5,847	58,375
Prepayments and other receivables	5	5,322	6,706
Amounts due from a related party	6	22,950	45,552
<b>TOTAL ASSETS</b>		<u>34,119</u>	<u>110,633</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Amounts due to a related party	6	735,835	763,029
Accruals and other payables	7	10,012	11,974
<b>TOTAL LIABILITIES</b>		<u>745,847</u>	<u>775,003</u>
<b>EQUITY</b>			
Share capital	8	55,080	55,080
Accumulated losses		(766,808)	(719,450)
<b>TOTAL EQUITY</b>		<u>(711,728)</u>	<u>(664,370)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>34,119</u>	<u>110,633</u>

The Independent Auditor's Report is set out on pages 3 and 4.

These financial statements were approved by the general manager and authorised for issue on 28 May 2022 and are by:



.....  
Mr. Mysore Prasad  
General Manager

The notes on pages 9 to 19 form part of these financial statements

**SONATA SOFTWARE (QATAR) LLC**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2022**

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		<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
	<b>Notes</b>		
Revenue	<b>9</b>	62,448	82,426
Cost of services		<u>(62,448)</u>	<u>(82,426)</u>
<b>GROSS PROFIT FOR THE YEAR</b>		-	-
General and administrative expenses	<b>10</b>	(47,358)	(37,945)
Other income		-	2,714
<b>NET LOSS FOR THE YEAR</b>		<u>(47,358)</u>	<u>(35,231)</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(47,358)</u></u>	<u><u>(35,231)</u></u>

The Independent Auditor's Report is set out on pages 3 and 4.

**The notes on pages 9 to 19 form part of these financial statements**

**SONATA SOFTWARE (QATAR) LLC**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>Share capital USD</b>	<b>Accumulated losses USD</b>	<b>Total USD</b>
As at 1 April 2020	55,080	(684,219)	(629,139)
Loss for the year	-	(35,231)	(35,231)
As at 31 March 2021	<u>55,080</u>	<u>(719,450)</u>	<u>(664,370)</u>
As at 1 April 2021	55,080	(719,450)	(664,370)
Loss for the year	-	(47,358)	(47,358)
As at 31 March 2022	<u>55,080</u>	<u>(766,808)</u>	<u>(711,728)</u>

The Independent Auditor's Report is set out on pages 3 and 4.

**SONATA SOFTWARE (QATAR) LLC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	(47,358)	(35,231)
<b>Changes in working capital</b>		
Change in prepayments and other receivables	1,384	22,263
Change in amounts due from a related party	22,602	3,978
Change in amounts due to a related party	(27,194)	(3,713)
Change in accruals and other payables	(1,962)	(3,155)
<b>NET CASH UTILISED IN OPERATING ACTIVITIES</b>	<u>(52,528)</u>	<u>(15,858)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(52,528)</u>	<u>(15,858)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
At the beginning of the year	58,375	74,233
At the end of the year	<u>5,847</u>	<u>58,375</u>

The Independent Auditor's Report is set out on pages 3 and 4.

## SONATA SOFTWARE (QATAR)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. Legal status and principal activities

Sonata Software (Qatar) LLC (the "Company") is a limited liability company incorporated on 7 June 2011 and is registered in the Qatar Chamber of Commerce and Industry in Doha, Qatar.

The principal activities of the company are software development and information technology consulting.

The shareholders and their percentage of shareholdings for the year ended 31 March 2022 are as follows:

<u>Shareholders</u>	<u>% of shareholdings</u>
Mohamed Nasser Abdullah Al Misnad	51%
Sonata Software Limited	49%

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.

#### 2. Going concern

These financial statements have been prepared on a going concern basis notwithstanding that the Company has incurred a net loss of USD 47,358 for the year ended 31 March 2022 (2021: USD 35,231). As at that date, the net current liability amounted to USD 711,728 (2021: USD 664,370) and the accumulated losses amounted to USD 766,808 (2020: USD 719,450). Nevertheless, 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 shareholder 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 amounts 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 ("IFRS").

##### 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 and presentation 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 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.

#### 3. Basis of preparation and significant accounting policies (continued)

**Use of estimates and judgements (continued)**

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.

Judgements made by the 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 12.

**Adoption of new standards and amendments**

New and amended standards which were effective as of 1 April 2021 and were either not relevant to the Company or did not have a material impact on the presentation and disclosure of items in the financial statements of the Company are as follows:

- Amendments to Definition of Business (Amendments to IFRS 3) and Definition of Material (Amendments to IAS 1 and IAS 8)
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 - Interest Rate Benchmark Reform – Phase 2
- Amendment to IFRS 16 – Covid-19-Related Rent Concessions

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**New standards and amendments issued but not effective for the current annual period**

The following new and amended standards and interpretations have been issued but were not mandatory for annual reporting period ended 31 March 2022:

	<b>Effective date</b>
• Amendments to IAS 1- Classification of Liabilities as Current or Non-current	on or after 1 January 2023
• Amendment to IFRS 17 - Insurance Contracts	on or after 1 January 2023
• Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	on or after 1 January 2023
• Amendment to IAS 8 – Definition of Accounting Estimates	on or after 1 January 2023
• Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	on or after 1 January 2023
• Amendments to IFRS 3 - Reference to the Conceptual Framework	on or after 1 January 2022
• Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	on or after 1 January 2022
• Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract	on or after 1 January 2022
• Annual Improvements to IFRS Standards 2018-2020	on or after 1 January 2022
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	
- IAS 41 Agriculture – Taxation in fair value measurements	
- IFRS 16 Leases – Lease incentives	
• Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture	deferred application date

3. **Basis of preparation and significant accounting policies (*continued*)**

**New standards and amendments issued but not effective for the current annual period (*continued*)**

Management anticipates that these new standards, interpretation and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

**Financial assets**

Classification

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

- Those to be measured subsequently at fair value (either through OCI “FVTOCI” or through profit or loss “FVTPL”); and
- Those to be measured at amortised cost.

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

Measurement

On initial recognition, a financial asset is classified as measured: at amortised cost, FVTOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTOCI or FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses if any.

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL or at amortised cost:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that are not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**3. Basis of preparation and significant accounting policies (*continued*)**

**Financial assets (*continued*)**

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level as this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about the future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets and measurement of ECL

For amounts due from a related party and other receivables, the Company has applied the simplified approach permitted by IFRS 9. The simplified approach is applied to a portfolio of amounts due from a related party and other receivables that are homogenous in nature and carry similar credit risk. However, the simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Amounts due from a related party and other receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on amounts due from a related party and other receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information.

At each reporting date, the Company assesses whether financial assets carried at amortised cost or debt financial assets carried at FVTOCI are credit-impaired (if any).



**3. Basis of preparation and significant accounting policies (*continued*)**

**Financial assets (*continued*)**

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; - the disappearance of an active market for a security because of financial difficulties.

**Prepayments**

Prepayments are expenses paid in advance and recorded as an asset before these are utilised. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments that are expected to be realised within 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as non-current assets.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value with original maturities of three months or less.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset.

**Financial liabilities**

The Company classifies non-derivative financial liabilities as amounts due to a related party and accruals and other payables. Amounts due to a related party and accruals and other payables are recognised initially at fair value. Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss.

**3. Basis of preparation and significant accounting policies (*continued*)**

**Offsetting**

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company intends to settle on a net basis.

**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. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset not only when the reimbursement is virtually certain.

**Share capital**

Ordinary shares are classified as equity.

**Revenue recognition**

Revenue is recognised at the time when the underlying service is provided to the customer.

**Revenue**

The Company recognises revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes all of the benefits provided by the Company as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If the Company does not satisfy its performance obligation over time, it satisfies it at a point in time. Revenue is recognised as contract activity progresses and the right to consideration is earned.

Revenue from the sale of services is therefore recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration which the Company expects to be entitled in exchange for the services provided to the customer.

The consideration expected by the Company may include fixed or variable amounts. Revenue is recognised when it transfers control over services to the customer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct services are accounted for separately based on their stand-alone selling prices. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

## SONATA SOFTWARE (QATAR)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 3. Basis of preparation and significant accounting policies (*continued*)

##### 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.

##### Foreign currency translation

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

#### 4. Cash and cash equivalents

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

Management has concluded that the Expected Credit Loss (ECL) for the bank balance is immaterial as this balance is held with a bank whose credit risk rating by international rating agencies has been assessed as low.

#### 5. Prepayments and other receivables

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Prepayments	1,446	2,830
Security deposit	3,876	3,876
	<u>5,322</u>	<u>6,706</u>

## SONATA SOFTWARE (QATAR)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2022

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#### 6. 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. Related parties comprise companies and entities under common control ownership and/or common management and control, key management personnel and shareholder. These transactions have been carried out on the basis of the terms agreed between the Company and the management of the related parties.

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

	For the year ended 31 March 2022 USD	For the year ended 31 March 2021 USD
Revenue- India	62,448	82,426
Operational charges- Dubai	<u>62,448</u>	<u>82,426</u>

The following balances were outstanding at the end of the reporting year:

<b>Amounts due to a related party</b>	<b>2022 USD</b>	<b>2021 USD</b>
Sonata Software FZ LLC (Entity under common control)	<u>735,835</u>	<u>763,029</u>

<b>Amounts due from a related party</b>	<b>2022 USD</b>	<b>2021 USD</b>
Sonata Software Limited (Shareholder)	<u>22,950</u>	<u>45,552</u>

#### 7. Accruals and other payables

	<b>2022 USD</b>	<b>2021 USD</b>
Accruals	9,942	9,596
Other payables	70	2,378
	<u>10,012</u>	<u>11,974</u>

#### 8. Share capital

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

	2022		2021	
	Number of shares	Amount USD	Number of shares	Amount USD
Authorised shares of QAR 1,000 each (converted to USD at the rate of 0.2754 each)	<u>200</u>	<u>55,080</u>	<u>200</u>	<u>55,080</u>
Issued and paid	<u>200</u>	<u>55,080</u>	<u>200</u>	<u>55,080</u>

**SONATA SOFTWARE (QATAR)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022**

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**9. Revenue from contracts with customers**

The below table illustrates the disaggregation of revenue from contracts with customers at the reporting date:

	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>Type of service</b>		
Revenue from software development and information technology consulting	<u>62,448</u>	<u>82,426</u>
	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>Timing of revenue recognition:</b>		
Services rendered - point in time	<u>62,448</u>	<u>82,426</u>
	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>Customer relationship:</b>		
Related party customers (Note 6)	<u>62,448</u>	<u>82,426</u>
	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
<b>Geographical markets:</b>		
India	<u>62,448</u>	<u>82,426</u>

**10. General and administrative expenses**

	<b>For the year ended 31 March 2022 USD</b>	<b>For the year ended 31 March 2021 USD</b>
Office rent	16,980	20,012
Audit fee	6,500	6,500
Other administrative expenses	<u>23,878</u>	<u>11,433</u>
	<u>47,358</u>	<u>37,945</u>

**SONATA SOFTWARE (QATAR)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022**

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**11. Financial instruments**

	<b>2022</b>		<b>2021</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Financial assets</b>				
Cash and cash equivalents	5,847	5,847	58,375	58,375
Deposits and other receivables	3,876	3,876	3,876	3,876
Amounts due from a related party	22,950	22,950	45,552	45,552
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Financial liabilities</b>				
Accruals and other payables	10,012	10,012	11,974	11,974
Amounts due to a related party	735,835	735,835	763,029	763,029
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The fair value of financial assets and liabilities approximate their book value at 31 March 2022. 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 is potentially exposed to concentration of credit risk from its financial assets which comprises of bank balance, amounts due from a related party and other receivables.

*Bank balance*

Credit risk from bank is managed in accordance with the Company's policy. The Company's bank account is placed only with a high credit quality financial institution. Expected credit loss for bank balance is disclosed in Note 4.

*Amounts due from a related party*

The credit risk on amounts due from a related party is subjected to credit evaluations. The Company assesses the credit quality of the amounts due from a related party taking into account its financial position, past experience and other factors. Outstanding receivable balances are regularly monitored. The Company assesses that there are no estimated credit losses in the amounts due from a related party.

*Liquidity risk*

Management continuously monitors its cash flows to determine its cash requirements and makes comparisons with its funded facilities with banks and with its suppliers in order to manage exposure to liquidity risk.

## SONATA SOFTWARE (QATAR)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2022

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#### 12. Accounting estimates and judgements

There were no 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.

#### 13. 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.

#### 14. Contingent liabilities and commitments

##### Contingent liabilities

As at 31 March 2022, there are no known legal proceedings or other contingent liabilities against the Company (2021: Nil).

##### Commitments

The Company entered into short term lease agreement with Regus - Sonata Software (Qatar) LLC. As at 31 March 2022, the rent expense amounted to USD 16,980 (2021: USD20,012).

#### 15. Comparative figures

Prior year's figures have been reclassified, where necessary, to conform to the current year's presentation. These reclassifications had no effect on the reported results of operations.

#### 16. Subsequent events

There are no post balance sheet events that require disclosure in the financial statements.

**SONATA SOFTWARE INTERCONTINENTAL LIMITED**  
**Balance Sheet as at March 31, 2022**

		Amount in euro
	Note No.	As at March 31, 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Other non-current assets	1	7,671
<b>Total non-current assets</b>		<u>7,671</u>
<b>Current assets</b>		
Trade receivables	2	536,418
Other current assets	3	1,200
<b>Total current assets</b>		<u>537,618</u>
<b>Total assets</b>		<u><u>545,289</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital		-
Other equity	4	183,518
<b>Total Equity</b>		<u>183,518</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Other financial liabilities		-
<b>Total non-current liabilities</b>		<u>-</u>
<b>Current liabilities</b>		
Financial liabilities		
Trade payables	5	248,685
Other current liabilities	6	86,870
Current tax liabilities (net)	7	26,216
<b>Total current liabilities</b>		<u>361,771</u>
<b>Total equity and liabilities</b>		<u><u>545,289</u></u>



## SONATA SOFTWARE INTERCONTINENTAL LIMITED

## Statement of Profit and Loss for the period 8th September, 2021 to March, 2022

		Amount in euro	Amount in euro
	Quarterly P/L March 22	For the Period 8th September to 31 March 22	For the Period 8th September to 31 December 2021
	Note No.		
<b>REVENUE</b>			
Revenue from operations	8	173,096	436,112
<b>Total income</b>		<b>173,096</b>	<b>263,016</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	9	47,614	173,080
Other expenses	10	53,298	-
<b>Total expenses</b>		<b>100,912</b>	<b>226,378</b>
<b>Profit before tax</b>		<b>72,184</b>	<b>137,550</b>
<b>Tax expense</b>			
Current tax expense		9,023	26,216
<b>Net tax expense</b>		<b>26,216</b>	<b>17,193</b>
		-	-
<b>Profit for the period</b>		<b>63,161</b>	<b>120,357</b>

**SONATA SOFTWARE INTERCONTINENTAL LIMITED****Notes forming part of financial statements**

	<b>Amount in euro</b>
	<b>As at</b>
	<b>March 31, 2022</b>
<b>1. Other non-current assets</b>	
Unsecured, considered good	
Other deposits	2,400
Vat Input recoverable	5,271
<b>Total</b>	<b>7,671</b>
<b>2. Trade receivables</b>	
Unsecured	
Considered good	536,418
Considered doubtful	-
	<u>536,418</u>
Less : Allowances for credit losses	-
<b>Total</b>	<b>536,418</b>
<b>3. Other current assets</b>	
Prepaid expenses	1,200
<b>Total</b>	<b>1,200</b>
<b>4. Other equity</b>	
Opening balance	-
Profit for the period	183,518
<b>Closing balance</b>	<b>183,518</b>
<b>5. Trade payables</b>	
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	248,685
<b>Total</b>	<b>248,685</b>
<b>6. Other current liabilities</b>	
Provision for Expenses	47,058
Statutory remittances	39,812
<b>Total</b>	<b>86,870</b>
<b>7. Current tax liabilities (net)</b>	
Provision for tax	26,216
<b>Total</b>	<b>26,216</b>

**SONATA SOFTWARE INTERCONTINENTAL LIMITED**  
**Notes forming part of financial statements**

		Amount in euro	Amount in euro
	Quarterly P/L for period ending March 22	For the Period 8th September to 31 March 22	For the Period 8th September to 31 December 2021
<b>8. Revenue from operations</b>			
Revenue from software services	173,096	327,310	154,214
Revenue from Licenses	-	108,802	108,802
<b>Total</b>	<b>173,096</b>	<b>436,112</b>	<b>263,016</b>
<b>9. Purchases of stock-in-trade</b>			-
Software cost	51,530	88,498	36,968
Software Project fees	84,582	84,582	-
<b>Total</b>	<b>136,112</b>	<b>173,080</b>	<b>125,466</b>
<b>10. Other expenses</b>			
Commission on Sales	34,693	34,693	-
Rent	6,000	6,000	-
Facility maintenance	240	240	-
Travelling and conveyance expenses	11,115	11,115	-
Professional and technical fees	1,250	1,250	-
<b>Total</b>	<b>53,298</b>	<b>53,298</b>	-
	-		-

**SONATA EUROPE LTD**  
**Balance Sheet as at 31st March, 2022**

		As At	GBP
	Note No.	31 March, 2022	As At 31 March, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	3,227	6,742
Financial assets			
Investments	2	3,559,555	3,846,349
<b>Total non-current assets</b>		<b>3,562,782</b>	<b>3,853,091</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	3	2,835,508	2,224,270
Cash and cash equivalents	4	1,934,897	1,973,141
Short-term loans and advances	5	1,044,745	849,437
Other financial assets	6	29,965	11,695
Other current assets	7	5,430,621	5,046,389
<b>Total current assets</b>		<b>11,275,737</b>	<b>10,104,932</b>
<b>TOTAL</b>		<b>14,838,518</b>	<b>13,958,023</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	8	2,460,360	2,460,360
Other equity	9	9,053,405	9,731,452
<b>Total Equity</b>		<b>11,513,765</b>	<b>12,191,812</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	10	2,512,447	803,428
Other current liabilities	11	781,331	664,627
Provisions	12	30,975	298,157
		<b>3,324,753</b>	<b>1,766,211</b>
<b>TOTAL</b>		<b>14,838,518</b>	<b>13,958,023</b>

## SONATA EUROPE LTD

## Statement of Profit and Loss for period ended 31st March, 2022

		GBP				
	Schedule	For the quarter ended March 31, 2022	For the quarter ended December 31, 2021	For the quarter ended 31 March, 2021	For the year ended March 31, 2022	For the year ended 31 March, 2021
<b>REVENUE</b>						
Revenue from operations	13.1	3,994,714	3,449,624	3,096,582	13,469,708	12,045,139
Other income	13.2	(259,306)	4,186	40,096	17,236	49,630
<b>Total revenue</b>		<b>3,735,408</b>	<b>3,453,810</b>	<b>3,136,678</b>	<b>13,486,944</b>	<b>12,094,769</b>
<b>EXPENSES</b>						
Purchase of stock-in-trade (traded goods)	14	81,930	406,980	58,631	629,823	216,139
Employee benefit expenses	15	202,856	169,338	(64,733)	748,242	616,561
Other expenses	16	2,950,105	2,583,174	1,945,702	9,481,123	7,288,245
<b>Total expenses</b>		<b>3,234,891</b>	<b>3,159,492</b>	<b>1,939,600</b>	<b>10,859,188</b>	<b>8,120,945</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>500,517</b>	<b>294,318</b>	<b>1,197,078</b>	<b>2,627,756</b>	<b>3,973,824</b>
Depreciation and amortization expense	1	867	886	3,982	3,515	20,644
<b>Profit before tax</b>		<b>499,650</b>	<b>293,432</b>	<b>1,193,096</b>	<b>2,624,241</b>	<b>3,953,179</b>
<b>Tax expense</b>						
Current tax expense		149,424	55,752	254,446	553,097	751,104
<b>Net tax expense</b>		<b>149,424</b>	<b>55,752</b>	<b>254,446</b>	<b>553,097</b>	<b>751,104</b>
<b>Profit after tax</b>		<b>350,226</b>	<b>237,680</b>	<b>938,650</b>	<b>2,071,144</b>	<b>3,202,075</b>
Earnings per share - Basic and Diluted (on 1 GBP per share)		<b>437.78</b>	<b>297.10</b>	<b>1,173.31</b>	<b>2,588.93</b>	<b>4,002.59</b>

## SONATA EUROPE LTD

## Notes forming part of the financial statements

## 1 : Property, Plant and Equipment

(Amt in GBP)

<b>Tangible Assets</b>			
<b>Particulars</b>	<b>Leasehold Improvements</b>	<b>Furniture and Fixtures</b>	<b>Total Tangible Assets</b>
<b>Deemed cost</b>			
<b>As at April 1, 2021</b>	<b>93,005</b>	<b>24,595</b>	<b>117,600</b>
Additions	-	-	-
Disposals/Write off	-	-	-
<b>As at March 31, 2022</b>	<b>93,005</b>	<b>24,595</b>	<b>117,600</b>

<b>Depreciation/ Amortization</b>			
<b>As at April 1, 2021</b>	<b>93,005</b>	<b>17,853</b>	<b>110,858</b>
Charge for the Year	-	3,515	3,515
<b>As at March 31, 2022</b>	<b>93,005</b>	<b>21,368</b>	<b>114,373</b>

<b>Net Block</b>			
<b>As at April 1, 2021</b>	<b>-</b>	<b>6,742</b>	<b>6,742</b>
<b>As at March 31, 2022</b>	<b>-</b>	<b>3,227</b>	<b>3,227</b>

**SONATA EUROPE LTD**  
**Notes forming part of financial statements**

	As At 31 March, 2022	As At 31 March, 2021
<b>2 : Investments</b>		
Investments - GBW	3,559,555	3,846,349
	<b>3,559,555</b>	<b>3,846,349</b>
<b>3 : Trade receivables</b>		
Unsecured		
Considered good	2,835,508	2,224,270
Considered doubtful	53,057	77,734
	2,888,565	2,302,004
Less : Provision for doubtful trade receivables	53,057	77,734
	2,835,508	2,224,270
<b>Total</b>	<b>2,835,508</b>	<b>2,224,270</b>
<b>4 : Cash and cash equivalents</b>		
In Current accounts	1,934,897	422,974
In Deposit accounts	-	1,550,167
<b>Total</b>	<b>1,934,897</b>	<b>1,973,141</b>
<b>5 : Short-term loans and advances</b>		
Unsecured, considered good		
Inter-corporate deposits	975,032	801,592
Security deposits	39,780	39,780
Advance taxes	17,896	-
Loans and advances to employees	-	2,090
Prepaid expenses	12,037	1,132
Loans and advances to related parties	-	1,667
Other recoverables	-	3,175
<b>Total</b>	<b>1,044,745</b>	<b>849,437</b>
<b>6 : Other financial assets</b>		
Interest accrued on Inter-corporate deposits	29,965	11,695
	<b>29,965</b>	<b>11,695</b>
<b>7 : Other current assets</b>		
Unbilled revenue	949,045	531,967
Receivable on sale of subsidiary	4,481,576	4,514,422
<b>Total</b>	<b>5,430,621</b>	<b>5,046,389</b>

**SONATA EUROPE LTD**  
**Notes forming part of financial statements**

	As At 31 March, 2022	GBP As At 31 March, 2021
<b>8 : Equity Share capital</b>		
<b>Authorized</b>		
800 Ordinary shares of GBP 1 each (Previous year 800 Ordinary shares of £ 1 each)	<u>800</u>	<u>800</u>
<b>Issued, Subscribed and paid-up</b>		
800 Ordinary shares of GBP 1 each (Previous year 800 Ordinary shares of £ 1 each)	800	800
24,59,560, 2% Redeemable convertible preference shares of £ 1 each)	2,459,560	2,459,560
<b>Total</b>	<u><b>2,460,360</b></u>	<u><b>2,460,360</b></u>
<b>9 : Other equity</b>		
<b>Capital redemption reserve</b>	<b>3,235,440</b>	<b>3,235,440</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	<b>6,496,012</b>	<b>5,343,128</b>
Profit for the year	2,071,144	3,202,075
Dividend Paid	(2,749,191)	(2,049,191)
<b>Closing balance</b>	<b>5,817,965</b>	<b>6,496,012</b>
<b>Total</b>	<u><b>9,053,405</b></u>	<u><b>9,731,452</b></u>
<b>10 : Trade payables</b>		
Trade payables - other than acceptances	<u>2,512,447</u>	<u>803,428</u>
<b>Total</b>	<u><b>2,512,447</b></u>	<u><b>803,428</b></u>
<b>11 : Other current liabilities</b>		
Income received in advance (Unearned revenue)	30,609	37,292
Statutory remittances	188,068	239,754
Payable for acquisition or business consideration	384,439	366,353
Reimbursable expenses payable to related party	115,612	0
Others	22,112	2,574
<b>Total</b>	<u><b>781,331</b></u>	<u><b>664,627</b></u>
<b>12 : Provisions</b>		
Provision for tax	-	273,654
Provision for compensated absences	30,975	24,503
<b>Total</b>	<u><b>30,975</b></u>	<u><b>298,157</b></u>



**SONATA EUROPE LTD**  
**Notes forming part of financial statements**

	GBP				
	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2022	December 31, 2021	31 March, 2021	March 31, 2022	31 March, 2021
<b>13.1 : Revenue from operations</b>					
Revenue from Software services	3,994,262	3,449,624	3,096,202	13,468,708	12,016,707
Other operating revenues	452	-	380	1,000	28,432
<b>Total</b>	<b>3,994,714</b>	<b>3,449,624</b>	<b>3,096,582</b>	<b>13,469,708</b>	<b>12,045,139</b>
<b>13.2 : Other income</b>					
Interest income	4,825	4,186	3,691	17,236	13,224
Provision no longer required written back	-	-	36,406	-	36,406
Miscellaneous income	(264,131)	-	-	-	-
<b>Total</b>	<b>(259,306)</b>	<b>4,186</b>	<b>40,096</b>	<b>17,236</b>	<b>49,630</b>
<b>14 : Purchase of stock-in-trade (traded goods)</b>					
Purchase of traded items	81,930	406,980	58,631	629,823	216,139
<b>Total</b>	<b>81,930</b>	<b>406,980</b>	<b>58,631</b>	<b>629,823</b>	<b>216,139</b>
<b>15 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	186,326	149,004	(84,854)	674,582	513,388
NIC Contribution	14,797	19,891	19,980	70,486	102,132
Staff welfare expenses	1,733	443	142	3,174	1,042
<b>Total</b>	<b>202,856</b>	<b>169,338</b>	<b>(64,733)</b>	<b>748,242</b>	<b>616,561</b>
<b>16 : Other expenses</b>					
Power and fuel	513	527	543	1,366	1,543
Rent	6,644	7,398	1,544	35,093	25,776
Insurance	768	506	313	2,152	3,957
Rates and taxes	4,106	4,198	1,667	21,539	16,668
Communication cost	1,083	984	1,839	3,236	5,625
Facility maintenance	5,833	3,549	3,727	15,123	13,142
Travelling and conveyance expenses	1,676	1,549	(446)	3,663	8,724
Sales commission	(1,371)	29,593	16,984	63,991	83,369
Software Project fees	2,614,661	2,079,420	1,502,855	8,236,218	6,678,039
Professional and technical fees	290,123	211,719	14,178	676,161	41,352
Legal fees	-	-	-	-	4,741
Insourcing professional fees	74,695	78,474	87,365	312,201	146,749
Net loss on foreign currency transaction and translation	(82,173)	143,605	311,255	41,693	178,136
Bad debts	-	-	19,270	-	19,270
Provision for doubtful trade receivables	25,114	(7,853)	(21,891)	(24,936)	4,828
Payment to auditors	4,000	4,000	3,790	16,000	49,790
Miscellaneous expenses	4,432	25,503	2,709	77,624	6,536
<b>Total</b>	<b>2,950,105</b>	<b>2,583,174</b>	<b>1,945,702</b>	<b>9,481,123</b>	<b>7,288,245</b>

**Gapbuster Ltd, UK ( Consolidated Financial Statement )**  
**Balance Sheet as at 31st March 2022**

**GBP**

	<b>Note No.</b>	<b>As At March 31,2022</b>	<b>As At Mar 31,2021</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	<b>1</b>	182,176	34,525
Deferred tax assets (net)	<b>2</b>	217,353	218,079
Other non-current assets	<b>3</b>	60,475	55,193
<b>Total non-current assets</b>		<b>460,004</b>	<b>307,797</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	<b>4</b>	1,408,905	593,156
Cash and cash equivalents	<b>5</b>	215,374	284,765
Other current assets	<b>6</b>	444,901	693,882
<b>Total current assets</b>		<b>2,069,181</b>	<b>1,571,803</b>
<b>TOTAL</b>		<b>2,529,185</b>	<b>1,879,600</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<b>7</b>	9,527,606	9,527,606
Other equity	<b>8</b>	(10,145,339)	(10,250,475)
<b>Total Equity</b>		<b>(617,733)</b>	<b>(722,869)</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	<b>9</b>	588,354	383,621
Borrowings	<b>10</b>	975,031	801,592
Other financial liabilities	<b>11</b>	994,215	905,020
Provisions	<b>12</b>	589,316	512,236
		<b>3,146,918</b>	<b>2,602,469</b>
<b>TOTAL</b>		<b>2,529,185</b>	<b>1,879,600</b>

Gapbuster Ltd, UK ( Consolidated Financial Statement )  
Statement of Profit and Loss for the period 1st April, 2021 to 31st March, 2022

GBP

	Note No.	For the Quarter ended 31st March'22	For the Quarter ended 31st Dec'21	For the Quarter ended 31st Mar'21	For the period ended Apr'21 to 31st March '22	For the Period 20th April'20 to 31st Mar'21
<b>REVENUE</b>						
Revenue from operations	13.1	1,845,823	1,882,437	1,492,889	7,343,310	4,364,598
Other income	13.2	21	95	894	5,796	30,652
<b>Total revenue</b>		<b>1,845,844</b>	<b>1,882,532</b>	<b>1,493,783</b>	<b>7,349,106</b>	<b>4,395,250</b>
<b>EXPENSES</b>						
Employee benefit expenses	14	811,917	682,977	466,607	2,929,957	1,990,464
Finance costs	15	6,672	2,866	3,678	19,169	14,866
Depreciation and amortization expense	1	14,971	14,359	9,182	45,895	35,278
Other expenses	16	1,082,930	1,131,802	824,184	4,293,409	2,194,341
<b>Total expenses</b>		<b>1,916,490</b>	<b>1,832,004</b>	<b>1,303,651</b>	<b>7,288,431</b>	<b>4,234,949</b>
<b>Profit before tax</b>		<b>(70,646)</b>	<b>50,528</b>	<b>190,132</b>	<b>60,675</b>	<b>160,300</b>
Current tax expense		-	-	-	-	-
<b>Profit after tax</b>		<b>(70,646)</b>	<b>50,528</b>	<b>190,132</b>	<b>60,675</b>	<b>160,300</b>

**Gapbuster Ltd, UK ( Consolidated Financial Statement )**  
**Cash Flow statement for the quarter ended 31st March 2022**

	GBP	GBP
	For the Quarter ended March 31,2022	For the year ended March 31,2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	<b>(70,646)</b>	<b>60,675</b>
<b>Adjustments for :</b>		
Depreciation and amortization expense	14,971	45,895
Interest expense	6,672	19,169
Provisions/ liabilities no longer required written back	-	5,356
Allowance for bad & doubtful trade receivables	-	(973)
Interest income	-	247
<b>Operating Profit before working capital changes</b>	<b>(49,003)</b>	<b>130,369</b>
<b>Adjustments for :</b>		
Decrease/(increase) in trade receivables	(779,098)	(780,367)
Decrease/(increase) in other non current assets	(3,851)	(5,282)
Decrease/(increase) in other current assets	59,745	248,980
(Decrease)/increase in trade payables	89,452	204,733
(Decrease)/increase in other current liabilities	(87,637)	89,195
(Decrease)/increase in short-term provisions	40,325	77,081
<b>Cash generated from operations</b>	<b>(730,067)</b>	<b>(35,291)</b>
Direct taxes/advance tax paid (net)	-	-
<b>Net cash from operating activities</b>	<b>(730,067)</b>	<b>(35,291)</b>
<b>Net cash from operating activities after exceptional items</b>	<b>(730,067)</b>	<b>(35,291)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP	(31,145)	(209,129)
Interest received	-	(247)
<b>Net cash flow from investing activities</b>	<b>(31,145)</b>	<b>(209,376)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inter corporate loan from Parent	56,337	173,439
<b>Net cash from financing activities</b>	<b>56,337</b>	<b>173,439</b>
Net increase/(decrease) in cash and cash equivalents	(704,875)	(71,228)
Opening cash and cash equivalents	917,269	284,765
Exchange difference on translation of foreign currency cash and c:	2,980	1,837
<b>Closing cash and cash equivalents</b>	<b>215,374</b>	<b>215,374</b>
Cash and cash equivalents at the end of the year Comprises :		
Cash on hand		
Cheques, drafts on hand		
Balances with banks		
In Current accounts	215,374	215,374
	<b>215,374</b>	<b>215,374</b>

Gapbuster Ltd, UK ( Consolidated Financial Statement )  
Notes forming part of the financial statements

1 : Property, Plant and Equipment

GBP

Particulars	Tangible Assets				Total Tangible Assets
	Office Equipments	Furniture and Fixtures	Plant and Equipments	Leasehold Improvements	
<b>Deemed cost</b>					
As at April, 2021	125,624	136,219	2,129,517	57,384	2,463,461
Additions	1,599	514	206,153	864	<b>209,129</b>
Disposals/Write off	(110,154)	(123,340)	(34,135)	(58,248)	<b>(325,877)</b>
Translation reserve	-	-	-	-	<b>(14,717)</b>
<b>As at March 31, 2022</b>	<b>17,069</b>	<b>13,392</b>	<b>2,301,535</b>	-	<b>2,331,996</b>
<b>Depreciation/ Amortization</b>					
As at April, 2021	125,237	132,224	2,114,085	57,384	2,428,931
Charge for the Year	401	3,726	41,775	(7)	45,895
Disposals/Write off	(110,154)	(123,340)	(34,135)	(57,377)	<b>(325,006)</b>
<b>As at March 31, 2022</b>	<b>15,485</b>	<b>12,610</b>	<b>2,121,726</b>	-	<b>2,149,820</b>
<b>Net Block:</b>					
<b>As at April 2021</b>	<b>386</b>	<b>3,995</b>	<b>15,432</b>	<b>(0)</b>	<b>34,530</b>
<b>As at March 31, 2022</b>	<b>1,584</b>	<b>783</b>	<b>179,809</b>	-	<b>182,176</b>

**Gapbuster Ltd, UK ( Consolidated Financial Statement )**  
**Notes forming part of financial statements**

	GBP	GBP
	As At	As At
	March 31,2022	Mar 31,2021
<b>2 : Deferred tax assets (net)</b>		
Deferred tax assets (net)	217,353	218,079
	<b>217,353</b>	<b>218,079</b>
<b>3 : Other non-current assets</b>		
Rent Deposit	60,475	55,193
	<b>60,475</b>	<b>55,193</b>
<b>4 : Trade receivables</b>		
Unsecured		
Considered good	1,408,905	593,156
Considered doubtful	26,560	29,442
	1,435,465	622,598
Less : Provision for doubtful trade receivables	26,560	29,442
<b>Total</b>	<b>1,408,905</b>	<b>593,156</b>
<b>5 : Cash and cash equivalents</b>		
Cash on hand	700	677
<b>Balances with banks</b>		
In Current accounts	214,674	284,088
<b>Total</b>	<b>215,374</b>	<b>284,765</b>
<b>6 : Other current assets</b>		
Income Accrued But Not Due - Sales	324,407	428,202
GST & VAT credit receivable	35,296	139,851
Prepaid expenses	64,758	40,795
Advance taxes	20,441	85,034
<b>Total</b>	<b>444,901</b>	<b>693,882</b>
<b>7 : Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
Share capital		
<b>Equity Shares</b>		
22,724 Ordinary shares	227	227
	<b>227</b>	<b>227</b>
<b>Preference Shares</b>		
80,287 A preference shares	9,527,099	9,527,099
2,821 B preference shares	140	140
4,641 C preference shares	140	140
	<b>9,527,379</b>	<b>9,527,379</b>
<b>Total</b>	<b>9,527,606</b>	<b>9,527,606</b>

**Gapbuster Ltd, UK ( Consolidated Financial Statement )**  
**Notes forming part of financial statements**

	GBP	GBP
	As At	As At
	March 31,2022	Mar 31,2021
<b>8 : Other equity</b>		
<b>Retained earnings</b>		
Opening balance	(8,236,787)	(8,397,088)
Profit/(loss) for the year	60,675	160,301
<b>Closing balance</b>	<b>(8,176,112)</b>	<b>(8,236,787)</b>
<b>Other Comprehensive Income</b>		
Opening balance	(2,013,688)	-
For the year	44,461	(2,013,688)
<b>Closing balance</b>	<b>(1,969,227)</b>	<b>(2,013,688)</b>
<b>Total</b>	<b>(10,145,339)</b>	<b>(10,250,475)</b>
<b>9 : Trade payables</b>		
Trade payables - other than acceptances	588,354	383,621
<b>Total</b>	<b>588,354</b>	<b>383,621</b>
<b>10 : Borrowings</b>		
Inter corporate loan payable	975,032	801,592
<b>Total</b>	<b>975,032</b>	<b>801,592</b>
<b>11 : Other financial liabilities</b>		
Income received in advance (Unearned revenue)	62,143	57,536
Interest accrued on Inter-corporate deposits	29,972	11,702
Statutory remittances	95,612	255,662
Provision for expenses, Salary payable & others	806,489	580,123
<b>Total</b>	<b>994,215</b>	<b>905,023</b>
<b>12 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	589,318	512,236
<b>Total</b>	<b>589,318</b>	<b>512,236</b>

Statement of Profit and Loss for the period 1st April, 2021 to 31st March, 2022

Notes forming part of financial statements

	GBP	GBP	GBP	GBP	GBP
	For the Quarter ended 31st March'22	For the Quarter ended 31st Dec'21	For the Quarter ended 31st Mar'21	For the Period ended Apr'21 to 31st March'22	For the Period 20th April'20 to 31st Mar'21
<b>13.1 : Revenue from operations</b>					
Revenue from software services	1,845,823	1,882,437	1,492,889	7,343,310	4,364,598
<b>Total</b>	<b>1,845,823</b>	<b>1,882,437</b>	<b>1,492,889</b>	<b>7,343,310</b>	<b>4,364,598</b>
<b>13.2 : Other income</b>					
Interest income	21	-	57	247	464
Provision no longer required written back	-	-	-	5,356	-
Miscellaneous income	-	95	837	193	30,188
<b>Total</b>	<b>21</b>	<b>95</b>	<b>894</b>	<b>5,796</b>	<b>30,652</b>
<b>14 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	787,923	667,972	456,118	2,862,341	1,951,519
Contributions to provident and other funds	8,885	10,165	8,629	39,883	31,139
Staff welfare expenses	15,108	4,839	1,860	27,733	7,806
<b>Total</b>	<b>811,917</b>	<b>682,977</b>	<b>466,607</b>	<b>2,929,957</b>	<b>1,990,464</b>
<b>15 : Finance costs</b>					
Lease rental discounted	1,847	-	290	2,064	1,139
Interest on ICD	4,825	4,186	3,388	18,088	11,753
Interest Others	-	(1,319)	-	(983)	1,974
<b>Total</b>	<b>6,672</b>	<b>2,866</b>	<b>3,678</b>	<b>19,169</b>	<b>14,866</b>
<b>16 : Other expenses</b>					
Power and fuel	3,191	2,897	1,961	13,000	10,948
Rent	34,432	33,845	35,036	134,877	73,744
Repairs and maintenance - Machinery	24,755	46,911	29,061	153,687	71,550
Insurance	3,097	2,996	5,140	14,770	17,016
Rates and taxes	4,847	4,197	-	22,385	-
Communication cost	20,248	22,763	17,169	86,033	54,005
Facility maintenance	5,752	2,557	111	12,548	5,163
Travelling and conveyance expenses	197	323	-	549	241
Shoppers fees & call center cost	920,978	917,022	676,695	3,600,695	1,740,986
Professional and technical fees	20,956	21,439	7,628	76,264	27,783
Net loss on foreign currency transaction and translation	(18,550)	43,736	19,432	9,875	96,333
Provision for doubtful trade receivables	0	(2,515)	26,266	(973)	(69,087)
Payment to auditors	8,682	6,746	22,970	43,170	131,490
Miscellaneous expenses	55,975	28,894	(17,284)	128,169	34,169
<b>Total</b>	<b>1,082,930</b>	<b>1,131,802</b>	<b>824,184</b>	<b>4,293,409</b>	<b>2,194,341</b>



**Registered number: 03889263**

**GAPBUSTER EUROPE LIMITED**

**FINANCIAL STATEMENTS**

**PERIOD FROM 1 JULY 2021  
TO 31 MARCH 2022**

**LUBBOCK FINE LLP  
Chartered Accountants  
Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB**

# **GAPBUSTER EUROPE LIMITED**

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# GAPBUSTER EUROPE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Adam Scott Kaye Ankush Patel
<b>Company secretary</b>	Dentons Secretaries Limited
<b>Registered number</b>	03889263
<b>Registered office</b>	11th Floor West, The Mille 1000 Great West Road, Brentford TW8 9HH
<b>Independent auditors</b>	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB

# **GAPBUSTER EUROPE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 31 MARCH 2022**

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The directors present their report and the financial statements for the period ended 31 March 2022.

The financial statements cover the period from 1 July 2021 to 31 March 2022. The period was shortened in order to align the accounting reference date with the worldwide group.

#### **Principal activity**

The principal activity of the company is customer experience measurement.

#### **Directors**

The directors who served during the period were:

Adam Scott Kaye

Ankush Patel (appointed 18 March 2022)

Ranganath Puranik (appointed 6 May 2021, resigned 21 March 2022)

#### **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 judgements 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 to 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.

#### **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.

**GAPBUSTER EUROPE LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 MARCH 2022**

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**Auditors**

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**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 and signed on its behalf.

**Ankush Patel**

Director

Date:

## **Opinion**

We have audited the financial statements of Gapbuster Europe Limited (the 'Company') for the period ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the period 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the 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 in relation to which 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**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 Auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **GAPBUSTER EUROPE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAPBUSTER EUROPE LIMITED (CONTINUED)**

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to irregularities, including fraud, were in respect of management override and revenue recognition.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing revenue recognition with reference to contractual arrangements and independent systemic trading inputs;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the company's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



**GAPBUSTER EUROPE LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAPBUSTER EUROPE LIMITED  
(CONTINUED)**

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**Use of our report**

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.

**David Chandra** (Senior Statutory Auditor)  
for and on behalf of  
**Lubbock Fine LLP**  
Chartered Accountants & Statutory Auditors  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB

Date:

**GAPBUSTER EUROPE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

	<b>Period Ended 31 March 2022 £</b>	<b>Year Ended 30 June 2021 £</b>
Turnover	1,209,144	859,797
Cost of sales	(629,257)	(365,403)
<b>Gross profit</b>	<u>579,887</u>	<u>494,394</u>
Administrative expenses	(913,474)	(775,975)
Other operating income	147,686	73,535
<b>Operating loss</b>	<u>(185,901)</u>	<u>(208,046)</u>
Interest receivable and similar income	(161)	(171)
<b>Loss before tax</b>	<u>(186,062)</u>	<u>(208,217)</u>
Tax on loss	(32,916)	-
<b>Loss for the financial period/year</b>	<u><u>(218,978)</u></u>	<u><u>(208,217)</u></u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 11 to 16 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2022

	Note	31 March 2022 £	30 June 2021 £
<b>Fixed assets</b>			
Tangible assets	4	-	703
		-	703
<b>Current assets</b>			
Debtors	5	512,254	368,093
Cash at bank and in hand	6	42,518	28,241
		554,772	396,334
Creditors: amounts falling due within one year	7	(913,051)	(536,338)
<b>Net current liabilities</b>		<b>(358,279)</b>	<b>(140,004)</b>
<b>Total assets less current liabilities</b>		<b>(358,279)</b>	<b>(139,301)</b>
<b>Net liabilities</b>		<b>(358,279)</b>	<b>(139,301)</b>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Capital contribution	9	996,109	996,109
Profit and loss account	9	(1,355,388)	(1,136,410)
		(358,279)	(139,301)

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:

**Ankush Patel**  
Director

Date:

The notes on pages 11 to 16 form part of these financial statements.

**GAPBUSTER EUROPE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

	Called up share capital £	Capital contribution £	Profit and loss account £	Total equity £
<b>At 1 July 2020</b>	1,000	996,109	(928,193)	68,916
Loss for the year	-	-	(208,217)	(208,217)
<b>At 1 July 2021</b>	1,000	996,109	(1,136,410)	(139,301)
Loss for the period	-	-	(218,978)	(218,978)
<b>At 31 March 2022</b>	1,000	996,109	(1,355,388)	(358,279)

The notes on pages 11 to 16 form part of these financial statements.

# GAPBUSTER EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 MARCH 2022

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#### 1. General information

Gapbuster Europe Limited is a private company limited by shares incorporated in England and Wales. Its registered office and principal place of business is 11th Floor (West), The Mille, 1000 Great West Road, Brentford TW8 9HH.

The financial statements cover the period from 1 July 2021 to 31 March 2022. The period was shortened in order to align the accounting reference date with the worldwide group.

#### 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 Going concern

The Company meets its day to day working capital requirements through the support of the parent company. The directors believe that it is appropriate to prepare financial statements on a going concern basis which assumes the continued financial support of the parent company.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, provide for further liabilities that might arise and reclassify fixed assets as current assets.

##### 2.3 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Rendering of services**

Turnover 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 turnover 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.

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.6 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

## GAPBUSTER EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE PERIOD ENDED 31 MARCH 2022

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## 2. Accounting policies (continued)

### 2.7 Current and deferred Taxation

Tax is recognised in profit or loss 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
- 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.

### 2.8 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:

Fixtures, fittings & Office equipment	-	25%
Computer equipment	-	33%

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 profit or loss.

### 2.9 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. Accounting policies (continued)**

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.11 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.

**2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

**3. Employees**

The average monthly number of employees, including directors, during the period was 3 (2021 - 3).



**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

**4. Tangible fixed assets**

	<b>Fixtures and fittings</b> £	<b>Computer hardware &amp; software</b> £	<b>Total</b> £
At 1 July 2021	87,809	71,228	159,037
Disposals	(87,809)	(71,228)	(159,037)
At 31 March 2022	-	-	-
At 1 July 2021	87,323	71,011	158,334
Charge for the period on owned assets	352	167	519
Disposals	(87,675)	(71,178)	(158,853)
At 31 March 2022	-	-	-
<b>Net book value</b>			
At 31 March 2022	-	-	-
At 30 June 2021	486	217	703

**5. Debtors**

	<b>31 March 2022</b> £	<b>30 June 2021</b> £
Trade debtors	286,254	146,565
Amounts owed by group undertakings	117,856	63,141
Other debtors	8,124	51,874
Prepayments and accrued income	100,020	106,513
	<u>512,254</u>	<u>368,093</u>

**6. Cash and cash equivalents**

	<b>31 March 2022</b> £	<b>30 June 2021</b> £
Cash at bank and in hand	<u>42,518</u>	<u>28,241</u>

**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

**7. Creditors: Amounts falling due within one year**

	<b>31 March 2022</b>	<b>30 June 2021</b>
	£	£
Trade creditors	46,355	32,108
Amounts owed to group undertakings	639,376	290,140
Other taxation and social security	12,979	13,824
Other creditors	27,804	25,071
Accruals and deferred income	186,537	175,195
	<u>913,051</u>	<u>536,338</u>

**8. Share capital**

	<b>31 March 2022</b>	<b>30 June 2021</b>
	£	£
<b>Allotted, called up and fully paid</b>		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

**9. Reserves**

**Capital contribution**

The capital contribution reserve represents capital contributions invested by the parent company.

**Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

**10. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £12,068 (2021 - £12,306). Contributions totaling £1,354 (2021 - £1,352) were payable to the fund at the reporting date.

**11. Controlling party**

The ultimate parent company is Sonata Software Limited, a company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange. Copies of the group accounts of Sonata Software Limited, the largest and smallest group the company belongs to that prepared consolidated accounts, can be obtained from APS Trust Building, 1/4 Bull Temple Road, N R Colony, Bangalore 560 019, India.

**GAPBUSTER EUROPE LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

	<b>31 March 2022 £</b>	<b>30 June 2021 £</b>
Turnover	1,209,144	859,797
Cost Of Sales	(629,257)	(365,403)
<b>Gross profit</b>	<u>579,887</u>	<u>494,394</u>
Other operating income	147,686	73,535
<b>Less: overheads</b>		
Administration expenses	(913,474)	(775,975)
<b>Operating loss</b>	<u>(185,901)</u>	<u>(208,046)</u>
Interest receivable	(161)	(171)
Tax on loss on ordinary activities	(32,916)	-
<b>Loss for the period/year</b>	<u><u>(218,978)</u></u>	<u><u>(208,217)</u></u>

**GAPBUSTER EUROPE LIMITED**  
**SCHEDULE TO THE DETAILED ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

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	<b>31 March 2022 £</b>	<b>30 June 2021 £</b>
<b>Turnover</b>		
Sales	1,209,144	859,797
	<u>                    </u>	<u>                    </u>
	<b>31 March 2022 £</b>	<b>30 June 2021 £</b>
<b>Cost of sales</b>		
Shopper fees	629,257	365,403
	<u>                    </u>	<u>                    </u>
	<b>31 March 2022 £</b>	<b>30 June 2021 £</b>
<b>Other operating income</b>		
Other operating income	147,686	73,535
	<u>                    </u>	<u>                    </u>

**GAPBUSTER EUROPE LIMITED**  
**SCHEDULE TO THE DETAILED ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

	<b>31 March 2022 £</b>	<b>30 June 2021 £</b>
<b>Administration expenses</b>		
Directors salaries	90,276	-
Directors national insurance	11,525	-
Directors pension costs - defined contribution schemes	7,222	-
Staff salaries	50,654	229,585
Staff national insurance	5,189	-
Staff pension costs - defined contribution schemes	4,846	-
Staff training	317	245
Staff welfare	101	249
Entertainment	-	63
Hotels, travel and subsistence	520	-
Printing and stationery	1,760	1,663
Postage	88	29
Telephone and fax	3,231	9,755
Computer costs	635	450
Advertising and promotion	2,178	46
Trade subscriptions	2,983	1,013
Legal and professional	8,962	887
Auditors' remuneration - non-audit	13,750	30,033
Bank charges	12,449	2,867
Bad debts	-	(5,394)
Difference on foreign exchange	20,371	2,605
Sundry expenses	184	-
Rent - non-operating leases	679	795
Insurances	5,030	9,843
Repairs and maintenance	-	56
Depreciation - office equipment	-	24
Depreciation - computer equipment	167	448
Depreciation - fixtures and fittings	352	528
Amortisation - intangible fixed assets	-	(1)
Head office costs	670,005	490,186
	<u>913,474</u>	<u>775,975</u>
	<b>31 March 2022 £</b>	<b>30 June 2021 £</b>
<b>Interest receivable</b>		
Bank interest receivable	161	171

**Gapbuster Worldwide Pty Limited**  
**Balance Sheet as at 31st March 2022**

		AUD	AUD
		As At	As At
	Note No.	March 31,2022	Mar 31,2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	312,955	60,474
Other non-current assets	2	64,387	64,387
<b>Total non-current assets</b>		<b>377,342</b>	<b>124,861</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	3	4,605,930	2,625,376
Cash and cash equivalents	4	186,385	146,045
Other current assets	5	229,359	639,827
<b>Total current assets</b>		<b>5,021,674</b>	<b>3,411,248</b>
<b>TOTAL</b>		<b>5,399,016</b>	<b>3,536,109</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	6	6,921,883	6,921,883
Other equity	7	(6,165,195)	(7,304,365)
<b>Total Equity</b>		<b>756,688</b>	<b>(382,482)</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deffered Tax Liabilities	8	40,000	40,000
		<b>40,000</b>	<b>40,000</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	9	492,352	396,272
Borrowings	10	1,707,672	1,450,000
Other financial liabilities	11	1,385,854	1,109,341
Provisions	12	1,016,450	922,978
		<b>4,602,328</b>	<b>3,878,591</b>
<b>TOTAL</b>		<b>5,399,016</b>	<b>3,536,109</b>

Gapbuster Worldwide Pty Limited

Statement of Profit and Loss for the period 1st April, 2021 to 31st March, 2022

		AUD	AUD	AUD	AUD	AUD
	Note No.	For the Quarter ended 31st March'22	For the Quarter ended 31st Dec'21	For the Quarter ended 31st Mar'21	For the Period 1st Apr'21 to 31st March'22	For the Period 20th Apr'20 to 31st Mar'21
<b>REVENUE</b>						
Revenue from operations	13.1	2,279,950	2,258,398	2,609,093	8,557,401	6,549,993
Other income	13.2	-	-	1,500	10,265	24,056
<b>Total revenue</b>		<b>2,279,950</b>	<b>2,258,398</b>	<b>2,610,593</b>	<b>8,567,666</b>	<b>6,574,049</b>
<b>EXPENSES</b>						
Employee benefit expenses	14	1,185,451	1,045,697	654,705	4,403,684	2,955,300
Finance costs	15	12,212	11,950	6,592	45,620	23,462
Depreciation and amortization expense	1	27,075	26,082	15,958	82,900	58,756
Other expenses	16	720,552	728,054	622,073	2,896,292	1,476,072
<b>Total expenses</b>		<b>1,945,290</b>	<b>1,811,784</b>	<b>1,299,328</b>	<b>7,428,496</b>	<b>4,513,591</b>
<b>Profit before tax</b>		<b>334,660</b>	<b>446,614</b>	<b>1,311,265</b>	<b>1,139,170</b>	<b>2,060,458</b>
<b>Tax expense</b>		-	-	-	-	-
<b>Profit after tax</b>		<b>334,660</b>	<b>446,614</b>	<b>1,311,265</b>	<b>1,139,170</b>	<b>2,060,458</b>

**Gapbuster Worldwide Pty Limited**  
**Cash Flow statement for the year ended 31st March 2022**

	For the Quarter ended March 31,2022	For the period ended March 31,2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	<b>334,660</b>	<b>1,139,170</b>
Adjustments for :		
Depreciation and amortization expense	27,075	82,900
Finance Costs	12,212	45,620
Interest paid on ICD	8,819	33,352
Allowance for bad & doubtful trade receivables	-	(4,670)
Balance written off	71	71
<b>Operating Profit before working capital changes</b>	<b>382,837</b>	<b>1,296,443</b>
Adjustments for :		
Decrease/(increase) in trade receivables	(1,090,195)	(1,975,862)
Decrease/(increase) in other current assets	76,008	410,468
(Decrease)/increase in trade payables	72,925	96,080
(Decrease)/increase in other current liabilities	(188,442)	276,513
(Decrease)/increase in short-term provisions	12,626	93,472
<b>Cash generated from operations</b>	<b>(734,241)</b>	<b>197,114</b>
Direct taxes/advance tax paid (net)	-	-
<b>Net cash from operating activities</b>	<b>(734,241)</b>	<b>197,114</b>
<b>Net cash from operating activities after exceptional items</b>	<b>(734,241)</b>	<b>197,114</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and	(62,184)	(333,696)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(12,212)	(45,620)
Inter corporate loan from subsidiary	-	257,672
Net increase/(decrease) in cash and cash equivalents	(817,454)	42,118
Opening cash and cash equivalents	1,003,837	146,045
<b>Closing cash and cash equivalents</b>	<b>186,385</b>	<b>186,385</b>
Cash and cash equivalents at the end of the year Comprises :		
Cash on hand		
Cheques, drafts on hand		
In Current accounts	186,385	186,385
	<b>186,385</b>	<b>186,385</b>



**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements**

**1 : Property, Plant and Equipment**

**AUD**

<b>Particulars</b>	<b>Office Equipments</b>	<b>Furniture and Fixtures</b>	<b>Plant and Equipments</b>	<b>Leasehold improvements</b>	<b>Total Tangible Assets</b>
As at 1st April , 2021	53,444	178,913	3,642,787	3,469	<b>3,878,612</b>
Additions			333,696	-	<b>333,696</b>
Disposals/Write off	(53,444)	(178,913)	-	(3,469)	<b>(235,825)</b>
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>3,976,483</b>	<b>-</b>	<b>3,976,483</b>

<b>Depreciation/ Amortization</b>					
As at 1st April , 2021	53,005	172,901	3,587,007	3,468	3,816,381
Charge for the Year	368	6,012	76,544	(24)	82,900
Disposals/Write off	(53,373)	(178,913)	-	(3,444)	(235,730)
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>3,663,552</b>	<b>-</b>	<b>3,663,552</b>

<b>Net Block:</b>					
					-
<b>As at 1st April , 2021</b>	<b>439</b>	<b>6,012</b>	<b>53,998</b>	<b>-</b>	<b>60,474</b>
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>312,906</b>		<b>312,955</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of financial statements**

	AUD	AUD
	As At	As At
	March 31,2022	Mar 31,2021
<b>2 : Other non-current assets</b>		
Rent Deposit	64,387	64,387
	<u>64,387</u>	<u>64,387</u>
<b>3 : Trade receivables</b>		
Unsecured		
Considered good	4,605,930	2,625,376
Considered doubtful	43,817	53,257
	<u>4,649,747</u>	<u>2,678,633</u>
Less : Provision for doubtful trade receivables	43,817	53,257
<b>Total</b>	<u><b>4,605,930</b></u>	<u><b>2,625,376</b></u>
<b>4 : Cash and cash equivalents</b>		
Cash on hand	560	560
<b>Balances with banks</b>		
In Current accounts	185,824	145,485
<b>Total</b>	<u><b>186,385</b></u>	<u><b>146,045</b></u>
<b>5 : Other current assets</b>		
Income Accrued But Not Due - Sales	168,111	430,905
GST & VAT credit receivable	15,910	151,932
Prepayment	45,337	56,989
<b>Total</b>	<u><b>229,359</b></u>	<u><b>639,826</b></u>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of financial statements**

	AUD	AUD
	As At	As At
	March 31,2022	Mar 31,2021
<b>6 : Equity Share capital</b>		
<b>Authorized</b>		
<b>Issued, Subscribed and paid-up</b>		
Share capital	6,921,883	6,921,883
<b>Total</b>	<b>6,921,883</b>	<b>6,921,883</b>
<b>7 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(7,304,365)	(9,364,823)
Profit/(loss) for the year	1,139,170	2,060,458
<b>Total</b>	<b>(6,165,195)</b>	<b>(7,304,365)</b>
<b>8 : Deferred Tax Liabilities</b>		
Deferred tax liabilities (net)	40,000	40,000
<b>Total</b>	<b>40,000</b>	<b>40,000</b>
<b>9 : Trade payables</b>		
Trade payables - other than acceptances	492,352	396,269
<b>Total</b>	<b>492,352</b>	<b>396,269</b>
<b>10 : Borrowings</b>		
Inter corporate loan payable	1,707,671	1,450,000
<b>Total</b>	<b>1,707,671</b>	<b>1,450,000</b>
<b>11 : Other financial liabilities</b>		
Income received in advance (Unearned revenue)	16,839	118,716
Interest accrued on Inter-corporate deposits	52,493	21,167
Statutory remittances	6,027	348,233
Provision for expenses, Salary payable & others	1,310,495	621,226
<b>Total</b>	<b>1,385,854</b>	<b>1,109,341</b>
<b>12 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	1,016,450	922,978
<b>Total</b>	<b>1,016,450</b>	<b>922,978</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of financial statements**

	AUD	AUD	AUD	AUD	AUD
	For the Quarter ended 31st March'22	For the Quarter ended 31st Dec'21	For the Quarter ended 31st Mar'21	For the Period ended 31st March'22	For the Period 20th Apr'20 to 31st Mar'21
<b>13.1 : Revenue from operations</b>					
Revenue from software services	1,695,108	1,599,725	1,187,969	5,977,489	3,168,996
Service charges	584,842	658,673	1,421,124	2,579,912	3,380,997
<b>Total</b>	<b>2,279,950</b>	<b>2,258,398</b>	<b>2,609,093</b>	<b>8,557,401</b>	<b>6,549,993</b>
<b>13.2 : Other income</b>					
Interest income	-	-	-	265	443
Provision no longer required written back	-	-	-	10,000	-
Miscellaneous income	-	-	1,500	-	23,613
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>10,265</b>	<b>24,056</b>
<b>14 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	1,160,910	1,039,264	651,602	4,360,052	2,943,674
Staff welfare expenses	24,542	6,433	3,104	43,632	11,626
<b>Total</b>	<b>1,185,451</b>	<b>1,045,697</b>	<b>654,705</b>	<b>4,403,684</b>	<b>2,955,300</b>
<b>15 : Finance costs</b>					
Lease rental discounted	3,393	-	519	3,789	2,067
Interest on ICD	8,819	7,747	6,073	33,352	21,168
Interest others	-	4,203	-	8,479	227
<b>Total</b>	<b>12,212</b>	<b>11,950</b>	<b>6,592</b>	<b>45,620</b>	<b>23,462</b>
<b>16 : Other expenses</b>					
Power and fuel	1,400	2,100	1,909	8,423	9,233
Rent	46,531	46,684	46,110	188,233	74,350
Repairs and maintenance - Machinery	46,375	85,478	51,968	283,551	134,304
Insurance	2,190	2,303	3,743	11,377	14,207
Rates and taxes	-	-	-	23,177	-
Communication cost	27,669	30,195	19,660	106,625	54,040
Facility maintenance	2,079	2,426	200	10,357	8,184
Shoppers Fees & Call centre cost	537,759	512,083	332,711	2,072,442	929,253
Professional Fees	9,120	6,172	13,982	49,768	68,861
Net loss on foreign currency transaction and translati	(1,349)	18,093	95,077	41,420	196,594
Provision for doubtful trade receivables	-	(4,670)	53,139	(4,670)	(54,832)
Payment to auditors	2,125	7,759	-	9,884	-
Miscellaneous expenses	49,583	19,431	3,573	98,637	41,878
<b>Total</b>	<b>720,552</b>	<b>728,054</b>	<b>622,073</b>	<b>2,896,292</b>	<b>1,476,072</b>

**SONATA SOFTWARE NORTH AMERICA INC.**  
**Balance Sheet as at March 31, 2022**

		(Amt in USD)	(Amt in USD)
		As at	As at
	Note No.	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	133,076	158,974
Other intangible assets		-	8,314
Goodwill		4,276,302	4,276,302
		<b>4,409,378</b>	<b>4,443,590</b>
Financial assets			
Investments	2.1	32,259,212	17,249,872
Other financial assets	2.2	44,630	32,236
Deferred tax assets (net)	3	1,651,064	724,322
<b>Total non-current assets</b>		<b>33,954,906</b>	<b>18,006,430</b>
<b>CURRENT ASSETS</b>			
Inventories			
Financial assets			
Trade receivables	4	11,916,890	8,948,501
Cash and cash equivalents	5.1	3,675,871	8,626,104
Loans	5.2	1,540,000	3,900,000
Other financial assets	6	3,020,409	2,003,357
Other current assets	7	150,278	160,077
<b>Total current assets</b>		<b>20,303,448</b>	<b>23,638,039</b>
<b>Total assets</b>		<b>58,667,732</b>	<b>46,088,059</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	8	300,000	300,000
Other equity	9	23,975,648	9,342,529
<b>Total Equity</b>		<b>24,275,648</b>	<b>9,642,529</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Other non-current liabilities	10	6,680,074	3,433,254
<b>Total non-current liabilities</b>		<b>6,680,074</b>	<b>3,433,254</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	11	1,388,290	1,388,290
Financial liabilities			
Trade payables	12	16,877,680	21,724,311
Other Financial liabilities	13	3,000,000	7,500,000
Other current liabilities	14	4,342,100	1,345,097
Provisions	15	596,764	543,621
Current tax liabilities (net)	16	1,507,175	510,956
<b>Total current liabilities</b>		<b>27,712,009</b>	<b>33,012,275</b>
<b>Total equity and liabilities</b>		<b>58,667,732</b>	<b>46,088,059</b>

## SONATA SOFTWARE NORTH AMERICA INC.

## Statement of Profit and Loss for the year ended March 31, 2022

		(Amt in USD)	(Amt in USD)	(Amt in USD)
		For the quarter ended	For the quarter ended	For the quarter ended
	Note No.	March 31, 2022	December 31, 2021	March 31, 2021
		For the year ended	For the year ended	For the year ended
		March 31, 2022	March 31, 2021	March 31, 2021
<b>REVENUE</b>				
Revenue from operations	17.1	25,056,030	23,870,608	19,078,603
Other income	17.2	4,178,253	1,416,981	17,851
<b>Total revenue</b>		<b>29,234,283</b>	<b>25,287,589</b>	<b>19,096,454</b>
<b>EXPENSES</b>				
Purchase of stock-in-trade (traded goods)		1,980,646	1,271,692	303,827
Employee benefit expenses	18	3,304,141	3,237,659	3,236,683
Finance costs	19	34,122	38,287	34,914
Depreciation and amortization expense	1	17,075	16,237	28,412
Other expenses	20	18,712,927	14,997,406	15,477,027
		<b>24,048,911</b>	<b>19,561,281</b>	<b>19,080,863</b>
<b>Profit before tax</b>		<b>5,185,372</b>	<b>5,726,308</b>	<b>15,591</b>
Current tax expense		1,155,275	1,665,388	-
Deferred tax		(336,489)	(490,897)	55,994
<b>Net tax expense</b>		<b>818,786</b>	<b>1,174,491</b>	<b>55,994</b>
<b>Profit for the year</b>		<b>4,366,586</b>	<b>4,551,817</b>	<b>(40,403)</b>
		<b>14,635,608</b>	<b>14,635,608</b>	<b>(384,081)</b>

**SONATA SOFTWARE NORTH AMERICA INC.**  
**Cash Flow Statement for the year ended March 31, 2022**

	(Amt in USD)	(Amt in USD)
	Year ended	Year ended
	March 31, 2022	March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>17,949,770</b>	<b>(504,593)</b>
Adjustments for :		
Depreciation and amortization expense	76,183	136,372
Interest expense	146,814	254,398
Allowance for bad & doubtful trade receivables	38,542	(71,239)
Provision no longer required (net)	(3,507,875)	(22,400)
Interest income	(72,404)	(70,264)
Dividend income	(4,048,000)	(1,900,000)
Write off of ICD given to Sopris	2,923,144	-
Unrealized foreign exchange (gain) / loss	11,751	(7,553)
(Gain) / loss on sale of fixed assets / scrapped	-	4,493
<b>Operating Profit before working capital changes</b>	<b>13,517,924</b>	<b>(2,180,786)</b>
Adjustments for :		
Decrease/(increase) in trade receivables	480,464	3,008,294
Decrease/(increase) in other current assets	9,799	413,239
Decrease/(increase) in other financial assets	(1,393,410)	1,425,308
Decrease/(increase) in other non-current financial assets	(12,394)	(8,717)
(Decrease)/increase in trade payables	(4,846,631)	5,692,387
(Decrease)/increase in other current liabilities	937,003	440,934
(Decrease)/increase in non-current liabilities	(3,800,530)	98,121
(Decrease)/increase in short-term provisions	1,049,362	(457,269)
<b>Cash generated from operations</b>	<b>5,941,588</b>	<b>8,431,510</b>
Direct taxes/advance tax paid (net)	(4,240,904)	-
<b>Net cash from operating activities</b>	<b>(A) 1,700,684</b>	<b>8,431,510</b>
<b>Net cash from operating activities after exceptional items</b>	<b>1,700,684</b>	<b>8,431,510</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP	(41,971)	(8,377)
Investment - Treeni Sustainability Solutions Inc.	(50,000)	(250,000)
Investment - Retail 10X Inc.	(16,000)	(34,000)
Interest received	271,618	70,264
Investments - Encore Software Services, Inc.	(5,829,750)	-
Issue of ICD Sopris	(936,000)	-
Repayment of ICD	550,000	150,000
Dividend received	4,048,000	1,900,000
<b>Net cash flow from investing activities</b>	<b>(B) (2,004,103)</b>	<b>1,827,887</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings from Bank	(4,500,000)	(3,500,000)
Short Term Borrowings	-	1,388,290
Interest paid Citibank Loan	(146,814)	(254,398)
<b>Net cash from financing activities</b>	<b>(C) (4,646,814)</b>	<b>(2,366,108)</b>
Net increase/(decrease) in cash and cash equivalents	<b>A+B+C (4,950,233)</b>	7,893,289
Opening cash and cash equivalents	8,626,104	732,815
<b>Closing cash and cash equivalents</b>	<b>3,675,871</b>	<b>8,626,104</b>
Balances with banks		
In Current accounts	3,655,872	8,525,187
In Deposit accounts	20,000	100,917
	<b>3,675,872</b>	<b>8,626,104</b>

**1 : Property, Plant and Equipment**

(Amt in USD)

Particulars	Tangible Assets				
	Office Equipments	Leasehold Improvements	Furniture and Fixtures	Plant and Equipments	Total Tangible Assets
<b>Deemed cost</b>					
As at April 1, 2021	50,158	74,983	111,067	533,757	769,965
Additions	-	-	-	41,971	41,971
<b>As at Mar 31, 2022</b>	<b>50,158</b>	<b>74,983</b>	<b>111,067</b>	<b>575,728</b>	<b>811,936</b>

As at April 1, 2021	48,228	18,764	103,211	440,788	610,991
Charge for the year	3,049	14,987	507	49,326	67,869
<b>As at Mar 31, 2022</b>	<b>51,277</b>	<b>33,751</b>	<b>103,719</b>	<b>490,113</b>	<b>678,860</b>

<b>Net Block</b>					
As at April 1, 2021	6,160	71,173	30,254	159,135	266,723
<b>As at Mar 31, 2022</b>	<b>(1,119)</b>	<b>41,232</b>	<b>7,348</b>	<b>85,615</b>	<b>133,076</b>

**Intangible assets** USD

Particulars	Intellectual Property.
<b>Deemed cost</b>	
As at April 1, 2021	66,367
Additions	-
Disposals/Write off	-
<b>As at Mar 31, 2022</b>	<b>66,367</b>

<b>Depreciation/ Amortization</b>	
As at April 1, 2021	58,052
Charge for the Qtr	8,314
Disposals/Write off	-
<b>As at Mar 31, 2022</b>	<b>66,367</b>

<b>Net Block</b>	
As at April 1, 2021	8,314
<b>As at Mar 31, 2022</b>	<b>0</b>

<b>Total Depreciation/Amoritization</b>	<b>76,183</b>
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**SONATA SOFTWARE NORTH AMERICA INC.**  
**Notes forming part of financial statements**

	(Amt in USD)	(Amt in USD)
	As at	As at
	March 31, 2022	March 31, 2021
<b>2.1 : Investments</b>		
<b>Trade, Long-term, unquoted and at cost</b>		
<b>In subsidiary companies</b>		
<b>Investment in equity instruments</b>		
138 shares of US \$ 0.01 per share of Principal Financial Group Inc., (As at March 31, 2022 138 shares of US \$ 0.01 per share of Principal Financial Group Inc.,)	10,269	4,029
500,250 Equity shares of \$ 1/- each in Interactive Business Information Systems Inc.	9,068,946	9,068,946
Investments-Retail 10X Inc. (Instrument (SAFE) containing future right to shares of Capital Stock)	850,000	834,000
Investment - Sopris Systems	6,742,897	6,742,897
Investment - SemiCab Inc. (As at March 31, 2022 669,567 shares )	350,000	350,000
Investment - Treeni Sustainability Solutions Inc. (As at March 31, 2022 1,104,550 shares )	300,000	250,000
Investments - Encore Software Services, Inc. (As at March 31, 2022 3000 shares of par value \$16 per share )	14,937,100	-
	<u>32,259,212</u>	<u>17,249,872</u>
<b>2.2 : Other financial assets</b>		
Unsecured, considered good Security deposits	44,630	32,236
<b>Total</b>	<u>44,630</u>	<u>32,236</u>
<b>3 : Deferred tax assets (net)</b>		
Deferred tax assets (net)	1,651,064	724,322
<b>Total</b>	<u>1,651,064</u>	<u>724,322</u>
<b>4 : Trade receivables</b>		
Unsecured		
Considered good	11,916,890	8,948,501
Considered doubtful	181,040	142,498
	<u>12,097,930</u>	<u>9,090,999</u>
Less : Provision for doubtful trade receivables	181,040	142,498
	<u>11,916,890</u>	<u>8,948,501</u>

**SONATA SOFTWARE NORTH AMERICA INC.**  
**Notes forming part of financial statements**

	(Amt in USD)	(Amt in USD)
	As at	As at
	March 31, 2022	March 31, 2021
<b>5.1 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	3,655,871	8,525,187
In Deposit accounts	20,000	100,917
<b>Total</b>	<b>3,675,871</b>	<b>8,626,104</b>
<b>5.2 : Loans</b>		
Unsecured, considered good		
Inter-corporate deposits	1,540,000	3,900,000
<b>Total</b>	<b>1,540,000</b>	<b>3,900,000</b>
<b>6 : Other financial assets</b>		
Loans and advances to related parties - Advances recoverable	625,889	470,510
Loans and advances to employees	25,979	14,799
Unbilled revenue	2,337,829	1,110,979
Interest accrued on Inter-corporate deposits	30,712	407,069
<b>Total</b>	<b>3,020,409</b>	<b>2,003,357</b>
<b>7 : Other current assets</b>		
Prepaid expenses	12,350	8,866
Other recoverables	137,928	151,211
<b>Total</b>	<b>150,278</b>	<b>160,077</b>
<b>8 : Equity Share capital</b>		
<b>Authorized</b>		
Common Stock \$1 par value, 3,500,000 shares (March 31, 2022 Common Stock \$1 par value, 3,500,000 shares)	<b>3,500,000</b>	<b>3,500,000</b>
<b>Issued, Subscribed and paid-up</b>		
\$1 par value 300,000 shares each fully paid-up (March 31, 2022 \$1 par value 300,000 shares each fully paid-up)	300,000	300,000
<b>Total</b>	<b>300,000</b>	<b>300,000</b>
<b>9 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	9,342,529	9,726,610
Profit for the year	14,635,608	(384,081)
Revaluation of CSSN investments	(8,729)	
Revaluation of listed securities	6,240	-
<b>Closing balance</b>	<b>23,975,648</b>	<b>9,342,529</b>
<b>10 : Other non-current liabilities</b>		
Payable for acquisition of subsidiary - Sopris Systems LLC	-	3,433,254
Rent equalization	31,422	-
Purchase consideration payable - Encore	6,648,652	-
<b>Total</b>	<b>6,680,074</b>	<b>3,433,254</b>
<b>11 : Short-term borrowings</b>		
From banks - UnSecured (Paycheck protection program loan received from Small Business administration, US Treasury)	1,388,290	1,388,290
<b>Total</b>	<b>1,388,290</b>	<b>1,388,290</b>
<b>12 : Trade payables</b>		
Trade payables - other than acceptances	16,877,680	21,724,311
<b>Total</b>	<b>16,877,680</b>	<b>21,724,311</b>
<b>13 : Other Financial liabilities</b>		
Current maturities of long term debt (Citi bank Loan)	3,000,000	7,500,000
<b>Total</b>	<b>3,000,000</b>	<b>7,500,000</b>

SONATA SOFTWARE NORTH AMERICA INC.  
Notes forming part of financial statements

	(Amt in USD)	(Amt in USD)
	As at	As at
	March 31, 2022	March 31, 2021
<b>14 : Other current liabilities</b>		
Purchase consideration payable - Encore	2,646,661	-
Income received in advance (Unearned revenue)	765,453	352,255
Statutory remittances	254,674	443,848
Advances from customers	559,557	520,919
Reimbursable Expenses payable to related party	105,506	14,226
Others	10,249	13,849
<b>Total</b>	<b>4,342,100</b>	<b>1,345,097</b>
<b>15 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	596,764	543,621
<b>Total</b>	<b>596,764</b>	<b>543,621</b>
<b>16 : Current tax liabilities (net)</b>		
Provision for tax	1,507,175	510,956
<b>Total</b>	<b>1,507,175</b>	<b>510,956</b>

SONATA SOFTWARE NORTH AMERICA INC.  
Notes forming part of financial statements

				(Amt in USD)	(Amt in USD)
	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
<b>17.1 : Revenue from operations</b>					
Revenue from software services	22,994,065	22,506,172	18,869,055	85,484,129	75,117,013
Revenue from hardware/software product and licenses	2,051,660	1,364,436	206,253	4,024,185	315,185
Other operating revenues	10,305	-	3,295	2,625	16,009
<b>Total</b>	<b>25,056,030</b>	<b>23,870,608</b>	<b>19,078,603</b>	<b>89,510,939</b>	<b>75,448,207</b>
<b>17.2 : Other income</b>					
Interest income	22,378	16,981	16,299	72,404	70,264
Dividend income	648,000	1,400,000	-	4,048,000	1,900,000
Provision no longer required written back	3,507,875	-	-	3,507,875	22,400
Miscellaneous income	-	-	1,552	-	1,552
<b>Total</b>	<b>4,178,253</b>	<b>1,416,981</b>	<b>17,851</b>	<b>7,628,279</b>	<b>1,994,216</b>
<b>18 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	3,070,158	3,028,902	2,995,227	12,419,222	11,442,330
Contribution to 401K fund	49,570	36,600	48,482	184,324	180,920
Staff welfare expenses	184,413	172,157	192,974	707,788	794,227
<b>Total</b>	<b>3,304,141</b>	<b>3,237,659</b>	<b>3,236,683</b>	<b>13,311,334</b>	<b>12,417,477</b>
<b>19: Finance costs</b>					
Interest expense					
Borrowings	24,875	28,835	21,688	108,109	199,069
Other borrowing costs	9,247	9,452	13,226	38,705	55,329
<b>Total</b>	<b>34,122</b>	<b>38,287</b>	<b>34,914</b>	<b>146,814</b>	<b>254,398</b>
<b>20 : Other expenses</b>					
Power and fuel	2,571	1,416	1,908	6,456	4,967
Rent	73,469	72,820	60,418	311,487	326,387
Repairs and maintenance - Machinery	460	287	226	4,153	2,571
Insurance	46,669	10,395	5,262	73,753	23,949
Rates and taxes	188,597	211,574	183,088	778,424	731,760
Communication cost	29,966	32,138	22,794	112,069	98,792
Facility maintenance	13,911	13,335	193	42,963	3,696
Travelling and conveyance expenses	34,724	32,106	11,575	119,097	64,027
Sales commission	115,660	122,886	119,232	498,234	489,822
Software Project fees	12,578,391	11,367,849	12,066,007	44,492,697	51,544,620
Professional and technical fees	222,170	136,347	240,287	736,270	1,518,759
Legal fees	12,775	-	-	13,221	300
Insourcing professional fees	2,203,521	2,669,485	2,468,474	10,469,123	9,149,812
Net loss on foreign currency transaction and translation	(19,174)	(472)	(2,306)	1,222	(9,770)
Net loss on fixed assets sold / scrapped	-	-	-	-	4,493
Provision for doubtful trade receivables	5,260	(2,171)	61,371	38,542	(71,239)
ICD loan to Sopris written off	2,923,144	-	-	2,923,144	-
Miscellaneous expenses	280,813	329,411	238,497	1,204,300	951,996
<b>Total</b>	<b>18,712,927</b>	<b>14,997,406</b>	<b>15,477,027</b>	<b>61,825,155</b>	<b>64,834,942</b>

**SONATA SOFTWARE NORTH AMERICA INC**  
**Notes forming part of financial statements**

**20 : Contingent Liability**

There is no contingent liabilities as at date of balance sheet.

**21. Commitments**

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

<b>March 31, 2022</b>	<b>March 31, 2021</b>
-	-

**22 : Details on derivative instruments and unhedged foreign currency**

i) There are no outstanding forward exchange contracts entered into by the Company and outstanding as at March 31, 2022 (March 31, 2021 : Nil)

ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

	As at March 31,2022		As at March 31,2021		Currency
	Receivable / (Payable) (USD)	Receivable/ (Payable) in Foreign currency	Receivable / (Payable) (USD)	Receivable/ (Payable) in Foreign currency	
Trade receivables	-		-		EUR
Trade receivables	-		-		CAD
Trade payables	-	-	-	-	CAD
Trade payables	-	-	-	-	EUR

**23 : 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 Ind AS 108 are not applicable to the Company.

**24 : 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.

ii. The total of future minimum lease payments are non-cancellable operating leases are as below :

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Not later than one year	2,61,200	2,61,503
Later than one year and not later than 5 years	9,66,847	9,66,847
Later than 5 years	-	-

iii. The lease payments recognised in the statement of Profit and Loss are as under :

Included in rent	3,11,487	3,26,387
	<u>3,11,487</u>	<u>3,26,387</u>

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

**26 : Earnings Per Share**

**Particulars**

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Profit/(loss) attributable to equity shareholders (\$)	1,46,35,608	-3,84,081
Weighted average number of Equity Shares of \$1/- each	3,00,000	3,00,000
Earnings Per Share - Basic and Diluted (\$)	48.79	20.04

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

**SONATA SOFTWARE NORTH AMERICA**  
**Notes forming part of financial statements**

**25 : Related party disclosure**

i) Details of related parties :

<b>Description of relationship</b>	<b>Names of related parties</b>
a) Holding Company	Sonata Software Limited Sonata Information Tech. Ltd
b) Wholly owned Subsidiaries (WOS)	Interactive Business Information Systems Inc. Sopris Systems, LLC Sonata Software Solutions Ltd
c) Fellow Subsidiaries	Sonata software FZ LLC

ii) Transactions with related parties :

<b>Particulars</b>	<b>Holding Company</b>		<b>Subsidiaries/WOS/Fellow Subsidiaries</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Revenue</b>				
Sopris Systems, LLC				-
Interactive Business Information Systems Inc.			1,19,000	3,21,062
<b>Deputation cost / Service charges / Software project fees</b>				
Sonata Software Limited	3,52,15,876	4,85,78,730		
Interactive Business Information Systems Inc.			27,024	1,65,092
Sonata Information Tech. Ltd - Singapore				-
Sonata Information Tech. Ltd				2,729
Sopris Systems, LLC				3,938
Sonata Software Solutions Ltd			92,49,796	27,96,859
<b>Inter Corporate Deposits given</b>				
Sonata Software FZ LLC				-
Sopris Systems LLC.			9,36,000	-
<b>Interporate borrowings repaid</b>				
Sopris Systems LLC.				1,50,000
Sonata Software FZ LLC			5,50,000	
<b>Interest on inter corporate deposits received</b>				
Halosys Technologies Inc.				-
Rezopia Inc., USA				-
Sonata Software FZ LLC			30,691	36,912
Sopris Systems LLC.			41,713	33,330
<b>Deputation cost / Service charges Recovered</b>				
Rezopia Inc., USA				
<b>Commission paid on guarantees received</b>				
Sonata Software Limited		54,664		

**SONATA SOFTWARE NORTH AMERICA**  
**Notes forming part of financial statements**

Particulars	Holding Company		Subsidiaries/WOS/Fellow Subsidiaries	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Balances outstanding at the end of the year</b>				
<b>Trade payables</b>				
Interactive Business Information Systems Inc.			28,509	1,485
Sonata Information Tech. Ltd			711	1,371
Sopris Systems, LLC				-
Sonata Software Solutions Limited			37,21,003	9,23,137
Sonata Software Limited	(65,01,733)	1,56,83,200		
<b>Advances receivables</b>				
Sonata Software Limited	6,25,889	4,70,510		
Sopris Systems LLC.			31,494	9,827
Interactive Business Information Systems Inc.			4,88,766	
Sonata Information Tech. Ltd			12,378	
<b>Interest accrued on Intercompany deposits</b>				
Sonata Software FZ LLC			30,712	2,71,617
Sopris Systems LLC.				1,35,453
<b>Trade Receivables</b>				
Sopris Systems LLC.				-
Interactive Business Information Systems Inc. (IBIS)			49,600	1,44,000
<b>Inter company deposit given</b>				
Sonata Software FZ LLC			15,40,000	20,90,000
Sopris Systems LLC.				18,10,000
<b>Advances payables (AP Reimb)</b>				
Sonata Software Limited	98,114	14,226		
Sonata Europe Limited - Reimbursements			7,392	
<b>Investments made during the year</b>				
Retail 10X Inc.			16,000	34,000
Semicab Inc				-
Treeni Sustainability Solutions Inc.			50,000	2,50,000
Encore Software Services, Inc.			1,49,37,100	
<b>Guarantees received</b>				
Sonata Software Limited		75,00,000		

Interactive Business Information Systems, Inc.  
Balance Sheet as at March 31, 2022

		(Amt in USD)	(Amt in USD)
		As at	As at
	Note No.	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1	13,832	104,260
Intangible assets	2	1	1
Other financial assets	3	177,500	373,751
Other non-current assets	4	108,694	46,175
<b>Total non-current assets</b>		<b>300,027</b>	<b>524,186</b>
Other non-current assets			
<b>CURRENT ASSETS</b>			
Trade receivables	5	645,154	1,564,957
Cash and cash equivalents	6	321,707	1,113,514
Other current assets	7	26,147	75,228
<b>Total current assets</b>		<b>993,008</b>	<b>2,753,699</b>
<b>Total assets</b>		<b>1,293,036</b>	<b>3,277,885</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	500,250	500,250
Other equity	9	(486,828)	1,054,675
<b>Total Equity</b>		<b>13,422</b>	<b>1,554,925</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Other non-current liabilities	10	2,892	-
<b>Total non-current liabilities</b>		<b>2,892</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables		918,486	1,665,217
Other current liabilities	11	192,494	45,088
Provisions	12	23,110	12,655
Current tax liabilities(net)	13	142,631	-
<b>Total current liabilities</b>		<b>1,276,722</b>	<b>1,722,960</b>
<b>Total equity and liabilities</b>		<b>1,293,035</b>	<b>3,277,885</b>



Interactive Business Information Systems, Inc.  
Statement of Profit and Loss for year ended March 31, 2022.

				(Amt in USD)		
	Note No.	For the quarter ended March 31, 2022	For the quarter ended December 31, 2021	For the quarter ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>INCOME</b>						
Revenue from operations	14.1	870,166	557,452	2,382,842	2,868,322	6,067,586
Other Income	14.2	7	10	275	444	40,373
<b>Total revenue</b>		<b>870,173</b>	<b>557,462</b>	<b>2,383,117</b>	<b>2,868,766</b>	<b>6,107,959</b>
<b>EXPENSES</b>						
Purchases of stock-in-trade (traded goods)		55,485	(11,496)	142,360	415,549	377,947
Employee benefit expenses	15	81,242	78,701	146,781	405,217	751,453
<b>Total expenses</b>		<b>136,727</b>	<b>67,205</b>	<b>289,141</b>	<b>820,766</b>	<b>1,129,400</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>733,446</b>	<b>490,257</b>	<b>2,093,976</b>	<b>2,048,000</b>	<b>4,978,559</b>
Finance costs		-	-	-	-	-
Depreciation and amortization expense	1	27,038	27,639	23,925	142,080	97,287
Other expenses	16	427,024	366,330	844,099	1,304,792	2,595,137
<b>Total expenses</b>		<b>590,789</b>	<b>461,174</b>	<b>1,157,165</b>	<b>2,267,638</b>	<b>3,821,824</b>
<b>Profit before tax</b>		<b>279,384</b>	<b>96,288</b>	<b>1,225,952</b>	<b>601,128</b>	<b>2,286,135</b>
Tax expense		75,434	25,998	452,219	142,631	378,599
<b>Net tax expense</b>		<b>75,434</b>	<b>25,998</b>	<b>452,219</b>	<b>142,631</b>	<b>378,599</b>
<b>Profit after tax</b>		<b>203,950</b>	<b>70,290</b>	<b>773,733</b>	<b>458,497</b>	<b>1,907,536</b>
Earnings per share - Basic and Diluted (on \$ 1 per share)		<b>0.41</b>	<b>0.14</b>	<b>1.55</b>	<b>0.92</b>	<b>3.81</b>

Interactive Business Information Systems, Inc.  
Cash Flow Statement for year ended March 31, 2022

	(Amt in USD)	(Amt in USD)
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	601,128	2,286,135
Adjustments for :		
Depreciation and amortization expense	142,080	97,287
<b>Operating Profit before working capital changes</b>	<b>743,208</b>	<b>2,383,422</b>
Adjustments for :		
Decrease/(increase) in trade receivables	919,803	(865,887)
Decrease/(increase) in other Non current assets	(62,520)	(5,223)
Decrease/(increase) in other current assets	49,084	171,676
(Decrease)/increase in Other financial assets	196,251	(373,751)
(Decrease)/increase in trade payables	(746,731)	646,598
(Decrease)/increase in other non current liabilities	2,892	-
(Decrease)/increase in other current liabilities	290,038	18,549
(Decrease)/increase in short-term provisions	10,454	920
(Decrease)/increase in other financial liabilities		
<b>Cash generated from operations</b>	<b>1,402,479</b>	<b>1,976,304</b>
Direct taxes/advance tax paid (net)	<b>(142,631)</b>	<b>(378,599)</b>
<b>Net cash from operating activities</b>	<b>(A) 1,259,848</b>	<b>1,597,705</b>
<b>Net cash from operating activities after exceptional items</b>	<b>(A) 1,259,848</b>	<b>1,597,705</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and	(51,652)	-
<b>Net cash flow from investing activities</b>	<b>(B) (51,652)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to Sonata Software North America	(2,000,000)	(1,900,000)
<b>Net cash from financing activities</b>	<b>(C) (2,000,000)</b>	<b>(1,900,000)</b>
Net increase/(decrease) in cash and cash equivalents	<b>(A+B+C) (791,804)</b>	(302,295)
Opening cash and cash equivalents	1,113,513	1,415,808
<b>Closing cash and cash equivalents</b>	<b>321,709</b>	<b>1,113,513</b>
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	21,324	63,182
In Deposit accounts	300,383	1,050,332
	<b>321,709</b>	<b>1,113,513</b>

1 : Property, plant and equipment

(Amt in USD)

Particulars	Tangible Assets				Total
	Office Equipments	Leasehold Improvements	Furniture and fixtures	Plant and equipments	
<b>Deemed cost</b>					
As at April 1, 2021	39,683	564,416	75,957	117,085	797,140
Additions		51,652			51,652
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2022</b>	<b>39,683</b>	<b>616,068</b>	<b>75,957</b>	<b>117,085</b>	<b>848,792</b>

<b>Depreciation/ Amortization</b>					
As at April 1, 2021	39,518	460,940	75,336	117,085	692,880
Charge for the Year	157	141,302	621	-	142,080
<b>As at Mar 31, 2022</b>	<b>39,674</b>	<b>602,242</b>	<b>75,956</b>	<b>117,085</b>	<b>834,960</b>

<b>Net Block</b>					
As at April 1, 2021	321	196,959	4,267	(0)	201,546
As at Mar 31, 2022	9	13,826	0	(0)	13,832

2 : Intangible assets

USD

Particulars	Intangible Assets		
	Owned Computer Software	Software Licence	Total
<b>Deemed cost</b>			
As at April 1, 2021	5,089	694,343	699,432
Additions	-	-	-
Disposals/Write off	-	-	-
<b>As at Mar 31, 2022</b>	<b>5,089</b>	<b>694,343</b>	<b>699,432</b>

<b>Depreciation/ Amortization</b>			
As at April 1, 2021	5,088	694,343	699,431
Charge for the Year	-	-	-
Disposals/Write off	-	-	-
<b>As at Mar 31, 2022</b>	<b>5,088</b>	<b>694,343</b>	<b>699,431</b>

<b>Net Block</b>			
As at April 1, 2021	1	0	1
As at Mar 31, 2022	1	-	1

Total Depreciation of Assets

142,080

**Interactive Business Information Systems, Inc.**  
**Notes forming part of financial statements**

	(Amt in USD) As at March 31, 2022	(Amt in USD) As at March 31, 2021
<b>3 : Other financial assets</b>		
Loans and advances to related parties		
Security deposits	5,000	5,000
Unbilled revenue	172,500	368,751
<b>Total</b>	<b>177,500</b>	<b>373,751</b>
<b>4 : Other non-current assets</b>		
Advance Tax	108,694	46,175
<b>Total</b>	<b>108,694</b>	<b>46,175</b>
<b>5 : Trade receivables</b>		
Considered good	645,154	1,564,957
Considered doubtful	51,262	243,485
	696,417	1,808,442
Less : Provision for doubtful trade receivables	51,262	243,485
	645,154	1,564,957
<b>Total</b>	<b>645,154</b>	<b>1,564,957</b>
<b>6 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	21,324	63,182
In Deposit accounts	300,383	1,050,332
<b>Total</b>	<b>321,707</b>	<b>1,113,514</b>
<b>7 : Other current assets</b>		
Other recoverables	26,147	75,228
<b>Total</b>	<b>26,147</b>	<b>75,228</b>
<b>8 : Equity share capital</b>		
<b>Authorized</b>		
Common Stock of 500.250 shares. of \$1 each ( As at 31.03.2021. 500.250 shares of \$1 each )	<b>500,250</b>	<b>500,250</b>
<b>Issued, Subscribed and paid-up</b>		
500.250 shares of \$1 each fully paid-up ( As at 31.03.2021. 500.250 shares of \$1 each fully paid up )	500,250	500,250
<b>Total</b>	<b>500,250</b>	<b>500,250</b>
<b>9 : Other equity</b>		
<b>Securities premium</b>		
<b>Retained earnings</b>		
Opening balance	1,054,675	1,047,139
Profit for the year	458,497	1,907,536
Dividend Paid	(2,000,000)	(1,900,000)
<b>Closing balance</b>	<b>(486,828)</b>	<b>1,054,675</b>
<b>10 : Other non-current liabilities</b>		
Rent equalization	2,892	-
<b>Total</b>	<b>2,892</b>	<b>-</b>
<b>11 : Other non-current liabilities</b>		
Income received in advance (Unearned revenue)	171,011	7,500
Reimbursable Expenses payable to related party	-	10,111
Statutory remittances	15,028	27,477
Others	6,455	-
<b>Total</b>	<b>192,494</b>	<b>45,088</b>
<b>12 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	23,110	12,655
<b>Total</b>	<b>23,110</b>	<b>12,655</b>
<b>13 : Current tax liabilities(net)</b>		
Provision for tax	142,631	-
<b>Total</b>	<b>142,631</b>	<b>-</b>

Interactive Business Information Systems, Inc.  
Notes forming part of financial statements

	(Amt in USD)				
	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
<b>14.1 : Revenue from operations</b>					
Revenue from hardware/software products and licenses	118,779	47,052	277,985	985,157	1,578,621
Revenue from software services	751,387	510,400	2,104,669	1,883,165	4,488,777
Other operating revenues	-	-	188	-	188
<b>Total</b>	<b>870,166</b>	<b>557,452</b>	<b>2,382,842</b>	<b>2,868,322</b>	<b>6,067,586</b>
<b>14.2 : Other Income</b>					
Interest income	7	10	15	56	384
Net gain on foreign currency transaction and translation	-	-	260	-	3,095
Provision no longer required written back	-	-	-	388	21,150
Miscellaneous income	-	-	-	-	15,744
<b>Total</b>	<b>7</b>	<b>10</b>	<b>275</b>	<b>444</b>	<b>40,373</b>
<b>15 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	73,728	73,460	132,660	369,863	692,681
Contribution to 401K fund	2,483	2,483	3,238	10,306	16,322
Staff welfare expenses	5,031	2,758	10,883	25,048	42,450
<b>Total</b>	<b>81,242</b>	<b>78,701</b>	<b>146,781</b>	<b>405,217</b>	<b>751,453</b>
<b>16 : Other expenses</b>					
Power and fuel	2,690	2,216	2,816	10,553	9,818
Rent	25,333	25,845	45,252	130,266	178,761
Insurance	-	191	221	191	9,761
Rates and taxes	630	(155)	480	11,055	4,771
Communication cost	10,447	10,006	10,196	46,693	41,476
Facility maintenance	19,407	18,718	7,000	58,027	12,428
Travelling and conveyance expenses	80	243	4,187	1,118	7,997
Insource professional fees	114,459	49,656	2,720	197,853	244,661
Software Project Fee	248,192	251,173	768,155	962,357	2,025,889
Bad debts	-	-	96,450	32,222	96,450
Provision for doubtful trade receivables	-	-	(101,597)	(192,222)	(99,420)
Miscellaneous expenses	5,786	8,437	8,219	46,679	62,545
<b>Total</b>	<b>427,024</b>	<b>366,330</b>	<b>844,099</b>	<b>1,304,792</b>	<b>2,595,137</b>



**Interactive Business Information Systems, Inc.**  
**Notes forming part of financial statements**

**20 : 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	
	March 31, 2022	March 31, 2021
ii. The total of future minimum lease payments for non-cancellable operating leases are as below :		
Not later than one year		-
Later than one year and not later than 5 years		-
iii. The lease payments recognised in the statement of Profit and Loss are as under :		
Included in rent	1,30,266	1,78,761
	<u>1,30,266</u>	<u>1,78,761</u>

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

**21 : Earnings Per Share**

	USD	
Particulars	March 31, 2022	March 31, 2021
Profit attributable to equity shareholders (\$)	4,58,497	19,07,536
Weighted average number of Equity Shares of \$1- each	5,00,250	5,00,250
Earnings Per Share - Basic and Diluted (\$)	0.92	3.81

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

## Sopris Systems LLC.

## Balance Sheet as at March 31, 2022

		(Amt in USD)	(Amt in USD)
		As At	As At
	Note No.	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	5,311	7,129
Financial assets			
Other financial assets	2	5,000	5,000
<b>Total non-current assets</b>		<b>10,311</b>	<b>12,129</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	3	89,729	362,725
Cash and cash equivalents	4	50,371	163,003
Other current assets	5	1,433	701,350
<b>Total current assets</b>		<b>141,532</b>	<b>1,227,078</b>
<b>TOTAL</b>		<b>151,843</b>	<b>1,239,206</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital		2	2
Other equity	6	(813,346)	(1,470,347)
<b>Total Equity</b>		<b>(813,344)</b>	<b>(1,470,345)</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	7	-	1,810,000
Trade payables	8	467,788	342,272
Other financial liabilities	9	226,867	557,280
Provisions	10	27,533	-
Current tax liabilities(net)	11	243,000	-
		<b>965,187</b>	<b>2,709,552</b>
<b>TOTAL</b>		<b>151,843</b>	<b>1,239,207</b>



## Sopris Systems LLC .

## Statement of Profit and Loss for year ended March 31, 2022

					(Amt in USD)	(Amt in USD)
		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
<b>REVENUE</b>						
Revenue from operations	12.1	355,138	466,472	945,906	2,162,298	4,299,503
Other income	12.2	2,923,144	-	274	2,923,144	85,755
<b>Total revenue</b>		<b>3,278,282</b>	<b>466,472</b>	<b>946,180</b>	<b>5,085,442</b>	<b>4,385,258</b>
<b>EXPENSES</b>						
Purchase of stock-in-trade (traded goods)		8,820	62,347	13,541	227,661	221,313
Employee benefit expenses	13	602,915	646,454	740,133	2,742,128	3,218,518
Finance costs	14	14,182	10,074	7,565	41,691	33,330
Depreciation and amortization expense	1	448	458	448	1,818	1,549
Other expenses	15	622,110	181,302	152,360	1,172,143	842,996
<b>Total expenses</b>		<b>1,248,475</b>	<b>900,636</b>	<b>914,047</b>	<b>4,185,441</b>	<b>4,317,706</b>
<b>Profit before tax</b>		<b>2,029,806</b>	<b>(434,163)</b>	<b>32,133</b>	<b>900,001</b>	<b>67,552</b>
<b>Tax expense</b>						
Current tax expense		243,000	-	13,201	243,000	13,661
<b>Net tax expense</b>		<b>243,000</b>	<b>-</b>	<b>13,201</b>	<b>243,000</b>	<b>13,661</b>
<b>Profit after tax</b>		<b>1,786,806</b>	<b>(434,163)</b>	<b>18,932</b>	<b>657,001</b>	<b>53,891</b>

## Sopris Systems LLC .

## Cash Flow Statement for the year ended Mar 31, 2022

	(Amt in USD)	(Amt in USD)
	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	<b>900,001</b>	<b>67,552</b>
Adjustments for :		
Depreciation and amortization expense	1,818	1,549
Interest expense	41,691	33,330
Allowance for bad & doubtful trade receivables	18,253	(452,078)
Write off of recoverable expenses	487,631	-
Write back of Inter corporate loan from holding company	(2,923,144)	-
<b>Operating Profit before working capital changes</b>	<b>(1,473,750)</b>	<b>(349,647)</b>
Adjustments for :		
Decrease/(increase) in trade receivables	254,743	667,726
Decrease/(increase) in other current assets	212,286	(235,381)
(Decrease)/increase in trade payables	125,516	(214,003)
(Decrease)/increase in Provisions	270,533	-
(Decrease)/increase in other current liabilities	(194,960)	129,193
<b>Cash generated from operations</b>	<b>(805,633)</b>	<b>(2,111)</b>
Direct taxes/advance tax paid (net)	(243,000)	(13,661)
<b>Net cash from operating activities</b>	<b>(1,048,633)</b>	<b>(15,772)</b>
<b>Net cash from operating activities after exceptional items</b>	<b>(1,048,633)</b>	<b>(15,772)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and		(3,745)
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>(3,745)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inter corporate loan from holding company	936,000	(150,000)
Interest paid	-	(33,330)
<b>Net cash from financing activities</b>	<b>936,000</b>	<b>(183,330)</b>
Net increase/(decrease) in cash and cash equivalents	(112,633)	(202,848)
Opening cash and cash equivalents	163,003	365,851
<b>Closing cash and cash equivalents</b>	<b>50,371</b>	<b>163,003</b>
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	50,371	163,003
In Deposit accounts		
	<b>50,371</b>	<b>163,003</b>

Sopris Systems LLC .

Notes forming part of financial statements

1 : Property, Plant and Equipment

(Amt in USD)

<b>Tangible Assets</b>	
<b>Particulars</b>	<b>Plant and Equipments</b>
<b>Deemed cost</b>	
As at April 1, 2021	9,100
Additions	
Disposals/Write off	-
<b>As at Mar 31st, 2022</b>	<b>9,100</b>

<b>Depreciation/ Amortization</b>	
As at April 1, 2021	1,972
Charge for the Year	1,818
<b>As at Mar 31st, 2022</b>	<b>3,789</b>

<b>Net Block:</b>	
As at April 1, 2021	7,129
As at Mar 31st, 2022	5,311

## Sopris Systems LLC .

## Notes forming part of financial statements

	(Amt in USD)	(Amt in USD)
	As At	As At
	March 31, 2022	March 31, 2021
<b>2 : Other financial assets</b>		
Security deposits	5,000	5,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>
<b>3 : Trade receivables</b>		
Unsecured		
Considered good	89,729	362,725
Considered doubtful	302,498	284,245
	392,227	646,970
Less : Provision for doubtful trade receivables	302,498	284,245
<b>Total</b>	<b>89,729</b>	<b>362,725</b>
<b>4 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	50,371	163,003
<b>Total</b>	<b>50,371</b>	<b>163,003</b>
<b>5 : Other current assets</b>		
Loans and advances to related parties - Advances recoverable	-	10,111
Loans and advances to employees	574	-
Prepaid expenses	-	6,418
Other recoverables	859	684,821
<b>Total</b>	<b>1,433</b>	<b>701,350</b>
Interest accrued on Inter-corporate deposits	-	135,453
<b>Total</b>	<b>-</b>	<b>135,453</b>
<b>6 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(1,470,347)	(1,524,238)
Profit/(loss) for the year	657,001	53,891
<b>Total</b>	<b>(813,346)</b>	<b>(1,470,347)</b>
<b>7 : Borrowings</b>		
<b>Loans and advances from related parties</b>		
Inter-corporate borrowings from holding Company - Unsecured	-	1,810,000
<b>Total</b>	<b>-</b>	<b>1,810,000</b>
<b>8 : Trade payables</b>		
Trade payables - other than acceptances	467,788	342,272
<b>Total</b>	<b>467,788</b>	<b>342,272</b>
<b>9 : Other financial liabilities</b>		
Interest accrued on Inter-corporate deposits		
Statutory remittances	68,253	114,227
Advances from customers	68,476	59,249
Others	90,138	248,351
<b>Total</b>	<b>226,867</b>	<b>557,280</b>
<b>10 : Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences	27,533	-
<b>Total</b>	<b>27,533</b>	<b>-</b>
<b>11 : Current tax liabilities(net)</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences	243,000	-
<b>Total</b>	<b>243,000</b>	<b>-</b>

**Sopris Systems LLC .**  
**Notes forming part of financial statements**

				(Amt in USD)	(Amt in USD)
	For the quarter ended March 31, 2022	For the quarter ended December 31, 2021	For the quarter ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>12.1 : Revenue from operations</b>					
Revenue from software services	342,538	343,578	932,713	1,842,280	3,965,353
Revenue from hardware/software product and licenses	12,600	121,740	13,193	318,864	333,126
Other operating revenues	-	1,155	-	1,155	1,024
<b>Total</b>	<b>355,138</b>	<b>466,472</b>	<b>945,906</b>	<b>2,162,298</b>	<b>4,299,503</b>
<b>12.2 : Other income</b>					
ICD loan written back	2,923,144	-	-	2,923,144	-
Provision no longer required written back		-	274		85,755
<b>Total</b>	<b>2,923,144</b>	<b>-</b>	<b>274</b>	<b>2,923,144</b>	<b>85,755</b>
<b>13 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	571,525	612,825	698,206	2,594,471	3,043,746
Contribution to 401K fund	17,230	18,568	18,140	78,041	18,140
Staff welfare expenses	14,160	15,061	23,787	69,616	156,632
<b>Total</b>	<b>602,915</b>	<b>646,454</b>	<b>740,133</b>	<b>2,742,128</b>	<b>3,218,518</b>
<b>14 : Finance costs</b>					
Interest expense					
Borrowings	14,182	10,074	7,565	41,691	33,330
<b>Total</b>	<b>14,182</b>	<b>10,074</b>	<b>7,565</b>	<b>41,691</b>	<b>33,330</b>
<b>15 : Other expenses</b>					
Repairs and maintenance - Machinery	-	-	-	181	237
Insurance	-	-	2,007	-	10,034
Rates and taxes	4,930	596	9,627	23,184	45,887
Communication cost	7,772	9,193	11,885	38,663	52,855
Facility maintenance	341	530	-	1,471	195
Travelling and conveyance expenses	2,485	6,318	-	13,002	5,592
Sales commission	-	-	33,144	-	45,507
Software Project fees	51,362	44,275	48,185	139,009	291,533
Professional and technical fees	2,415	1,623	5,056	8,215	13,597
Legal fees	45	-	30,197	(130)	37,810
Insourcing professional fees	67,360	74,795	122,844	367,180	290,374
Net loss on foreign currency transaction and translation	(176)	31	3	1,761	174
Bad debts	-	-	184,664	1,178	257,139
Provision for doubtful trade receivables	(13,045)	30,000	(323,207)	18,253	(452,078)
Write off of recoverable expenses	487,631	-	-	487,631	-
Miscellaneous expenses	10,989	13,942	27,957	72,545	244,141
<b>Total</b>	<b>622,110</b>	<b>181,302</b>	<b>152,360</b>	<b>1,172,143</b>	<b>842,996</b>

**Sopris Systems LLC.**

**Notes forming part of financial statements**

**15: Contingent Liability**

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

**16. Commitments**

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

**March 31,2022**

**March 31,2021**

**17 : Segment reporting**

The Company is engaged in the business of IT Solution specializes in Enterprise Resource Planning (ERP); Customer Relationship Management (CRM), Project Automation (PSA) and Field Service Automation (FSA) solutions. Our clients depend on successfully managing field services, delivering projects profitably and creating the best possible customer experience. They depend on Sopris to provide technology and business process expertise to make that a reality.

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.

**18 : 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

ii) Transactions with related parties :

Particulars	Holding Company	Holding Company
	March 31,2022	March 31,2021
<b>Revenue</b>		
Sonata Software North America Inc.		3,938
Interactive Business Information Systems Inc.	2,28,438	2,53,980
Sonata Software Ltd		-
Sonata Europe Limited	46,500	
<b>Deputation cost / Service charges / Software project fees</b>		
Sonata Software North America Inc.		-
Interactive Business Information Systems Inc.	4,750	2,19,778
Sonata Software Ltd	1,13,408	59,865
Sonata Software Solutions Limited	20,851	11,890
<b>Interest on inter corporate deposits</b>		
Sonata Software North America Inc.	41,691	33,330
<b>Inter corporate borrowings taken</b>		
Sonata Software North America Inc.	9,36,000	-
<b>Inter corporate borrowings Paid</b>		
Sonata Software North America Inc.		1,50,000
<b>Particulars</b>	<b>Holding Company</b>	<b>Holding Company</b>
	<b>March 31,2022</b>	<b>March 31,2021</b>
<b>Balances outstanding at the end of the year</b>		
<b>Trade payables</b>		
Sonata Software North America Inc.		-
Sonata Software Ltd	1,24,643	11,235
Interactive Business Information Systems Inc. (IBIS)	41,700	36,950
Sonata Software Solutions Limited	20,851	3,963
<b>Trade Receivables</b>		
Sonata Software North America Inc.		-
Interactive Business Information Systems Inc. (IBIS)	-	43,000
Sonata Software Ltd	2,554	24,561
<b>Advances payable</b>		
Sonata Software North America Inc.	31,594	9,827
Sonata Software Ltd	26,774	4,756
Interactive Business Information Systems Inc. (IBIS)	16,380	
<b>Advances receivable</b>		
Interactive Business Information Systems Inc. (IBIS)		10,111
<b>Inter corporate borrowings</b>		
Sonata Software North America Inc.		18,10,000
<b>Interest accrued on borrowings</b>		
Sonata Software North America Inc.		1,35,453

ENCORE SOFTWARE SERVICES, INC  
Balance Sheet as at March 31, 2022

(Amount in \$)

	Note No.	As at March 31, 2022	As at December 31, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	1	1
		<u>1</u>	<u>1</u>
Financial assets			
Other financial assets	2	145,867	236,864
<b>Total non-current assets</b>		<u>145,867</u>	<u>236,864</u>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	3	2,190,761	2,142,145
Cash and cash equivalents	3.1	1,731,710	1,853,524
Other financial assets	3.2	137,504	94,010
Other current assets	4	48,134	48,045
<b>Total current assets</b>		<u>4,108,109</u>	<u>4,137,724</u>
<b>Total assets</b>		<u>4,253,978</u>	<u>4,374,590</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	5	48,000	48,000
Other equity	6	1,959,983	1,811,351
<b>Total Equity</b>		<u>2,007,983</u>	<u>1,859,351</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	7	718,886	949,601
Provisions	8	1,527,109	1,565,638
<b>Total current liabilities</b>		<u>2,245,995</u>	<u>2,515,239</u>
<b>Total equity and liabilities</b>		<u>4,253,978</u>	<u>4,374,590</u>

ENCORE SOFTWARE SERVICES, INC  
Statement of Profit and Loss for period ended 31st March 2022

				(Amount in \$ )		
	Note No.	For the quarter ended March 31, 2022	For the quarter ended December 31, 2021	For the Period 1st August to 31 March 2022		
<b>REVENUE</b>						
Revenue from operations	9	4,574,488	4,419,372	11,728,028		
<b>Total revenue</b>		<b>4,574,488</b>	<b>4,419,372</b>	<b>11,728,028</b>		
<b>EXPENSES</b>						
Employee benefit expenses	10	789,767	846,535	2,176,863		
Depreciation and amortization expense	1	876	650	1,526		
Other expenses	11	2,692,568	2,684,260	7,028,682		
		<b>3,483,211</b>	<b>3,531,445</b>	<b>9,207,071</b>		
<b>Profit before tax</b>		<b>1,091,277</b>	<b>887,927</b>	<b>2,520,957</b>		
<b>Tax expense</b>						
Current tax expense		294,645	239,739	673,832		
<b>Net tax expense</b>		<b>294,645</b>	<b>239,739</b>	<b>673,832</b>		
<b>Profit for the year</b>		<b>796,632</b>	<b>648,188</b>	<b>1,847,125</b>		
Earnings per share - Basic and Diluted (on \$ 1 per share)		265.54	216.06	615.71		



**ENCORE SOFTWARE SERVICES, INC**  
**Notes forming part of the financial statements**

**1 : Property, Plant and Equipment** **(Amount in \$ )**

<b>Tangible Assets</b>			
<b>Particulars</b>	<b>Furniture and Fixtures</b>	<b>Plant and Equipments</b>	<b>Total Tangible Assets</b>
<b>Deemed cost</b>			
<b>As at Aug 1, 2021</b>	<b>750</b>	<b>15,395</b>	<b>16,145</b>
Additions	-	1,526	1,526
Disposals/Write off			-
<b>As at March 31, 2022</b>	<b>750</b>	<b>16,921</b>	<b>17,671</b>

<b>Accumulated Depreciation</b>			
<b>As at Aug 1, 2021</b>	<b>750</b>	<b>15,394</b>	<b>16,144</b>
Charge for the Qtr	-	1,526	1,526
<b>As at March 31, 2022</b>	<b>750</b>	<b>16,920</b>	<b>17,670</b>

<b>Net Block</b>			
<b>As at Aug 1, 2021</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>As at March 31, 2022</b>	<b>-</b>	<b>1</b>	<b>1</b>

**ENCORE SOFTWARE SERVICES, INC**  
**Notes forming part of financial statements**

(Amount in \$ )

	As at March 31, 2022	As at December 31, 2021
<b>2 : Other financial assets</b>		
Unsecured, considered good		
Security deposits	27,478	27,478
Advance Tax (net of provision)	118,389	209,386
<b>Total</b>	<b>145,867</b>	<b>236,864</b>
<b>3 : Trade receivables</b>		
Unsecured		
Considered good	2,190,761	2,142,145
Considered doubtful	-	-
	2,190,761	2,142,145
Less : Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>2,190,761</b>	<b>2,142,145</b>
<b>3.1 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	1,731,710	1,853,524
<b>Total</b>	<b>1,731,710</b>	<b>1,853,524</b>
<b>3.2 : Other financial assets</b>		
Unbilled revenue	137,504	94,010
	<b>137,504</b>	<b>94,010</b>
<b>4 : Other current assets</b>		
Prepaid expenses	48,134	48,045
<b>Total</b>	<b>48,134</b>	<b>48,045</b>
<b>5 : Equity Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
\$16 par value 3000 shares each fully paid-up	48,000	48,000
(1st Aug, 2021 \$16 par value 3000 shares each fully paid-up)		
<b>Total</b>	<b>48,000</b>	<b>48,000</b>
<b>6 : Other equity</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	2,160,858	2,160,858
Profit for the year	1,847,125	1,050,493
Dividend Paid	(2,048,000)	(1,400,000)
<b>Total</b>	<b>1,959,983</b>	<b>1,811,351</b>
<b>7 : Trade payables</b>		
Trade payables - other than acceptances	718,886	949,601
<b>Total</b>	<b>718,886</b>	<b>949,601</b>
<b>8 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	102,109	115,638
Provision for bonus	1,425,000	1,450,000
<b>Total</b>	<b>1,527,109</b>	<b>1,565,638</b>

ENCORE SOFTWARE SERVICES, INC  
Notes forming part of financial statements

	(Amount in \$)			
	For the quarter ended March 31, 2022	For the quarter ended December 31, 2021	For the Period 1st August to 30 September	For the Period 1st August to 31 March 2022
<b>9 : Revenue from operations</b>				
Revenue from software services	4,497,007	4,387,363	2,734,168	11,618,538
Other operating revenues	77,481	32,009	-	109,490
<b>Total</b>	<b>4,574,488</b>	<b>4,419,372</b>	<b>2,734,168</b>	<b>11,728,028</b>
<b>10 : Employee benefit expenses</b>				
Salaries, wages, bonus and allowances	762,719	823,162	523,578	2,109,459
Staff welfare expenses	27,048	23,373	16,983	67,404
<b>Total</b>	<b>789,767</b>	<b>846,535</b>	<b>540,561</b>	<b>2,176,863</b>
<b>11 : Other expenses</b>				
Rent	27,483	27,150	19,831	74,464
Insurance	934	4,115	7,168	12,217
Rates and taxes	1,846	1,094	698	3,638
Communication cost	5,259	3,544	2,398	11,201
Facility maintenance	-	-	558	558
Travelling and conveyance expenses	8,888	16,195	7,699	32,782
Software Project fees	1,526,723	1,462,026	961,793	3,950,542
Professional and technical fees	431,053	359,715	224,571	1,015,339
Legal fees	-	670	3,550	4,220
Insourcing professional fees	691,404	765,254	411,309	1,867,967
Net loss on foreign currency transaction and translation	-	(205)	495	290
Miscellaneous expenses	20,372	23,308	11,784	55,464
<b>Total</b>	<b>2,713,962</b>	<b>2,662,866</b>	<b>1,651,854</b>	<b>7,028,682</b>