Sonata Software North America INC

BALANCE SHEET as at March 31, 2018

USD

	Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	3	303,641	347,561	361,976
Financial assets				
Investments	4.1	13,477,555	13,477,555	13,485,555
Other financial assets	4.2	23,519	23,410	19,562
Deferred tax assets (net)	5	380,125	12,667	-
Other non-current assets	6	-	155,039	95,977
Total non-current assets		**13,881,199**	**13,668,671**	**13,601,094**
CURRENT ASSETS				
Financial assets				
Investments	7.1	4,029	4,029	4,029
Trade receivables	7.2	6,311,762	6,831,999	7,402,224
Cash and cash equivalents	7.3	3,204,803	2,998,507	1,053,302
Loans	7.4	4,106,634	4,271,542	2,443,133
Other financial assets	7.5	3,923,122	1,386,810	1,985,363
Other current assets	8	935,218	274,000	218,061
Total current assets		**18,485,568**	**15,766,887**	**13,106,112**
Total assets		**32,670,407**	**29,783,119**	**27,069,182**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	9	300,000	300,000	300,000
Other equity	10	4,048,012	3,236,350	2,411,957
Total Equity		**4,348,012**	**3,536,350**	**2,711,957**
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities				
Borrowings	11	2,150,000	5,016,667	7,883,333
Other non-current liabilities	12	900,000	1,300,000	1,300,000
Total non-current liabilities		**3,050,000**	**6,316,667**	**9,183,333**
CURRENT LIABILITIES				
Financial liabilities				
Trade payables		20,337,873	16,144,909	12,399,242
Other Financial liabilities	13	2,866,670	2,866,667	716,667
Other current liabilities	14	385,907	99,302	398,426
Provisions	15	513,812	506,221	438,157
Current tax liabilities	16	1,168,135	313,003	1,221,400
Total current liabilities		**25,272,397**	**19,930,102**	**15,173,892**
TOTAL		**32,670,407**	**29,783,119**	**27,069,182**

See accompanying notes forming part of the financials statements

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2018

USD

	Note No	For the year ended 31.03.2018	For the year ended 31.03.2017	Year ended 31.03.2016
REVENUE				
Revenue from operations	17.1	68,468,370	62,965,214	54,232,091
Other income	17.2	744,019	671,803	393,424
Total revenue		**69,212,389**	**63,637,017**	**54,625,515**
EXPENSES				
Employee benefit expenses	18	14,862,133	14,119,822	12,475,789
Finance costs	19	272,962	282,634	98,757
Depreciation and amortization expense	3	127,713	121,823	93,014
Other expenses	20	52,583,214	48,219,016	38,515,105
Total expenses		**67,846,022**	**62,743,295**	**51,182,665**
Profit before tax		1,366,367	893,722	3,442,850
Current tax expense		554,706	81,996	1,316,732
Deferred tax		-	(12,667)	-
Net tax expense		**554,706**	**69,329**	**1,316,732**
Profit after tax		**811,661**	**824,393**	**2,126,118**
Earnings per share - Basic and Diluted (on $ 1 per share)	28	**2.71**	**2.75**	**7.09**

See accompanying notes forming part of the financials statements

CASH FLOW STATEMENT for the year ended March 31, 2018

USD

			Year ended 31.03.2018	Year ended 31.03.2017
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net profit before tax		1,366,367	893,722
	Adjustments for :		207	–
	Depreciation and amortization expense		127,713	121,823
	Interest expense		272,962	282,634
	Allowance for bad & doubtful trade receivables		-	340,418
	Provision no longer required (net)		(610,801)	(568,862)
	Interest income		(133,218)	(102,402)
	Unrealized foreign exchange (gain) / loss		7,271	(5,394)
	Operating Profit before working capital changes		**1,030,294**	**961,939**
	Adjustments for :			
	Decrease/(increase) in trade receivables		518,328	229,808
	Decrease/(increase) in other current assets		(661,218)	(55,939)
	Decrease/(increase) in other financial assets		(2,536,312)	598,553
	Decrease/(increase) in long-term loans and advances		(109)	(3,848)
	Decrease/(increase) in other non current assets		155,039	(59,062)
	Decrease/(increase) in short-term loans and advances		164,908	(1,828,409)
	(Decrease)/increase in trade payables		4,187,602	3,751,061
	(Decrease)/increase in other current liabilities		286,605	1,850,876
	(Decrease)/increase in long-term provisions		(400,000)	-
	(Decrease)/increase in short-term provisions		1,473,524	(271,471)
	Cash generated from operations		**4,218,661**	**5,173,508**
	Direct taxes/advance tax paid (net)		(922,164)	(81,996)
	Net cash from operating activities	**A**	**3,296,497**	**5,091,512**
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of fixed assets, including intangible assets, CWIP and capital advances		(83,792)	(107,408)
	Purchase of non-current investments			
	Investments in subsidiary		-	8,000
	Interest received		133,218	102,402
	Net cash flow from investing activities	**B**	49,426	2,994
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from long-term borrowings (net)		(2,866,667)	(2,866,666)
	Interest paid		(272,962)	(282,634)
	Net cash from financing activities	**C**	**(3,139,629)**	**(3,149,300)**
	Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	206,294	1,945,205
	Opening cash and cash equivalents		2,998,507	1,053,302
	Closing cash and cash equivalents		**3,204,803**	**2,998,507**
	Cash and cash equivalents at the end of the year Comprises :			
	Balances with banks		3,204,803	2,998,507
	In Current accounts		**3,204,803**	**2,998,507**
			3,204,803	**2,998,507**

NOTES forming part of financial statements

1 CORPORATE INFORMATION

Sonata Software North America Inc.("SSNA" 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. The is company incorporated in US with its registered office at Fremont,USA. Sonata Software Limited has 100% ownership of SSNA incorporated on 20th April 1992. The financial statements were authorised for issuance by the Company's Board of Directors on 22nd May 2018. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules, 2016 as applicable. Upto the year ended March 31, 2017, the Company prepared and presented its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 (Indian GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'. The date of transition to Ind AS is April 1, 2016."

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis.

c. Use of judgement, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make 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. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

The areas involving critical estimates or judgements are:

i. **Depreciation and amortisation:** Depreciation and amortisation is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. **Employee Benefits :** The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations.

iii. **Provision and contingencies :** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the Balance Sheet date.

iv. **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.

2.2 Functional and presentation currency : The functional and presentation currency of the Company is USD.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

On Transition : For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Subsequent to Transition : Recognition & Measurement: Property, Plant and Equipment are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Subsequent expenditure, if any, on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance."

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.

b. 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.

c. Financial Instruments

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

i. **Financial assets at amortised cost -** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less impairment loss if any. Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

ii. **Equity investments -** Investment in subsidiaries are stated at cost less impairment loss if any.

Financial liabilities

Initial recognition and measurement - Financial liabilities are measured at amortised cost using effective interest 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.

d. Employee Benefits

Employee benefits include washington taxes, 401K payable, Newyork disability payable and Gross receipt tax.

Short-term employee benefits -need to be updated

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. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

e. Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cashflows at pre-tax rate that reflects the current market assessments of the time value of the money and the risks specific to the liability. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

f. 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.

a) **Current income tax -** Current income tax 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 period. 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 period. 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.

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.

g. Leases

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 under operating leases are recognised as an expense 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.

h. 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.

i. Revenue Recognition

The Company derives revenue primarily from Information Technology Services and Solutions. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. 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 when services are rendered and related costs are incurred.

b) Fixed-price contracts

Revenues from fixed price contracts are recognised over the life of the contract using percentage of completion method, with contract costs determining the stage of completion at the end of the reporting period. Foreseeable losses on such contracts are recognised when probable.

c) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised on transfer of significant risks and rewards of ownership to the buyers, which generally coincides with delivery where there is no customization required. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) 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.

Revenues are reported net of applicable discounts and allowances.

j. Borrowing Costs:

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

k. Finance Income and expense

Finance income consists of interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method. 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."

l. Share based payments

Employees of the Company receive remuneration in the form of cash settled share based transaction, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The equity instruments are granted by the Employee Welfare Trust. The expense is recognized in the Statement of Profit and Loss with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The fair value of the amount payable to the employees in respect of Stock Appreciation Rights (SAR), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR plan. Any changes in the liability are recognized in Statement of Profit and Loss."

m. 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. 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 Statment 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 profit or 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 profit or loss. 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")."

n. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

o. Contingent Liabilities

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated.

p. Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

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.

r. First-time adoption – mandatory exceptions, optional exemptions

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with relevant rules issued thereunder in terms of the SEBI LODR, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). The adoption of Ind AS was carried out in accordance with Ind AS 101, considering April 01, 2016 as the transition date. Pursuant to adoption of Ind AS, the differences in the carrying amounts of assets and liabilities on the transition date under the previous GAAP and the balances on adoption of Ind AS have been recognised directly in equity. The financial statements for the year ended March 31, 2018, March 31, 2017 and as at 01 April 2016 have been presented under Ind AS for comparative purposes. Accounting policies have been applied consistently to all periods presented in these Financial Results.

In preparing the opening Ind AS statement of financial position, adjustments are carried out to the amounts reported in financial statements prepared in accordance with previous GAAP.

s. New standards and interpretations not yet adopted

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

USD

Particulars	Tangible Assets			
	Office Equipments	Furniture and Fixtures	Plant and Equipments	Total Tangible Assets
Deemed cost				
As at April 1, 2016	41,276	104,792	215,907	361,976
Additions	2,375	3,551	101,482	107,408
Disposals/Write off	-	-	-	-
As at March 31, 2017	43,651	108,343	317,389	469,384
As at April 1, 2017	43,651	108,343	317,389	469,383
Additions	1,119	-	82,673	83,792
Disposals/Write off	-	-	-	-
As at March 31, 2018	44,770	108,343	400,062	553,175
Depreciation/ Amortization				
As at April 1, 2016	-	-	-	-
Charge for the Year	13,563	21,996	86,264	121,823
As at March 31, 2017	13,563	21,996	86,264	121,823
As at April 1, 2017	13,563	21,996	86,264	121,823
Charge for the Year	13,932	21,825	91,956	127,713
As at March 31, 2018	27,495	43,821	178,220	249,536
Net Block				
As at March 31, 2017	30,088	86,347	231,125	347,561
As at March 31, 2018	**17,275**	**64,522**	**221,842**	**303,641**

4.1 INVESTMENTS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Trade, Long-term, unquoted and at cost			
In subsidiary companies			
Investment in equity instruments			
512,296 Equity shares of $ 0.0001/- each in Rezopia Inc.	1,524,663	1,524,663	1,524,663
(As at 31.03.2017 - 512,296 Equity shares of $ 0.0001/- each (fully paid))			
15,754,000 Equity shares of $ 0.004/- each in Halosys Inc.	2,883,946	2,883,946	2,891,946
(As at 31.03.2017 - 15,754,000 Equity shares of $ 0.004/- each (fully paid))			
500,250 Equity shares of $ 1/- each in Interactive Business Information Syatems Inc.	9,068,946	9,068,946	9,068,946
(As at 31.03.2017 - 500,250 Equity shares of $ 1/- each (fully paid))			
	13,477,555	**13,477,555**	**13,485,555**

4.2 OTHER FINANCIAL ASSETS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Unsecured, considered good	-		
Security deposits	23,519	23,410	19,562
Total	**23,519**	**23,410**	**19,562**

5 DEFERRED TAX ASSETS (NET)

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Tax effects on			
Others	380,125	12,667	-
Total	**380,125**	**12,667**	**-**

6 OTHER NON-CURRENT ASSETS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Prepaid expenses	-	155,039	95,977
Total	**-**	**155,039**	**95,977**

7.1 INVESTMENTS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Non-trade			
Investments in Stock (unquoted)			
138 Common stock received from Principal Financial	4,029	4,029	4,029
Group Inc @ $29.20 each	-	-	-
(Previous period - 138 Common stock received from Principal Financial Group Inc @ $29.20 each	-	-	-
Total	**4,029**	**4,029**	**4,029**

7.2 TRADE RECEIVABLES

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Unsecured			
Considered good	6,311,762	6,831,999	7,402,224
Considered doubtful	417,671	392,013	277,640
	6,729,433	7,224,011	7,679,864
Less : Allowances for credit losses	417,671	392,013	277,640
Total	**6,311,762**	**6,831,999**	**7,402,224**

7.3 CASH AND CASH EQUIVALENTS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Balances with banks			
In Current accounts	3,104,593	2,898,497	1,053,302
In Deposit accounts	100,210	100,010	-
Total	**3,204,803**	**2,998,507**	**1,053,302**

7.4 LOANS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Unsecured, considered good			
Loans and advances to related parties - Advances recoverable	916,835	719,430	111,021
Inter-corporate deposits	3,189,799	3,552,112	2,332,112
Total	**4,106,634**	**4,271,542**	**2,443,133**

7.5 OTHER FINANCIAL ASSETS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Security deposits	-	-	1,598
Loans and advances to employees	13,200	42,184	96,166
Unbilled revenue	3,647,148	1,214,870	1,860,241
Interest accrued on Inter-corporate deposits	262,774	129,756	27,358
Total	**3,923,122**	**1,386,810**	**1,985,363**

8 OTHER CURRENT ASSETS

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Prepaid expenses	119,651	31,131	113,455
Other recoverables	815,567	242,869	104,606
Total	**935,218**	**274,000**	**218,061**

9 EQUITY SHARE CAPITAL

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Authorized			
Common Stock $1 par value, 3,500,000 shares	3,500,000	3,500,000	3,500,000
(Previous year Common Stock $1 par value, 3,500,000 shares)			
Issued, Subscribed and paid-up			
$1 par value 300,000 shares each fully paid-up	300,000	300,000	300,000
(Previous year $1 par value 300,000 shares each fully paid-up)			
Total	**300,000**	**300,000**	**300,000**

10 OTHER EQUITY

USD

	Ind AS	Ind AS	Ind AS
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Surplus in Statement of Profit and Loss			
Opening balance	3,236,351	2,411,957	285,839
Profit for the year	811,661	824,393	2,126,118
Total	**4,048,012**	**3,236,350**	**2,411,957**

11 BORROWINGS

USD

	Ind AS As at 31.03.2018	Ind AS As at 31.03.2017	Ind AS As at 31.03.2016
Term loan			
From banks	2,150,000	5,016,667	7,883,333
Total	**2,150,000**	**5,016,667**	**7,883,333**

12 OTHER NON-CURRENT LIABILITIES

USD

	Ind AS As at 31.03.2018	Ind AS As at 31.03.2017	Ind AS As at 31.03.2016
Purchase consideration payable to Halosys	900,000	1,300,000	1,300,000
Total	**900,000**	**1,300,000**	**1,300,000**

13 OTHER FINANCIAL LIABILITIES

USD

	Ind AS As at 31.03.2018	Ind AS As at 31.03.2017	Ind AS As at 31.03.2016
Current maturities of long term debt	2,866,670	2,866,667	716,667
Total	**2,866,670**	**2,866,667**	**716,667**

14 OTHER CURRENT LIABILITIES

USD

	Ind AS As at 31.03.2018	Ind AS As at 31.03.2017	Ind AS As at 31.03.2016
Income received in advance (Unearned revenue)	-	-	188,561
Interest accrued and due on borrowings	-	15,441	13,556
Statutory remittances	89,572	49,405	67,503
Advances from customers	281,807	5,158	11,533
Reimbursable Expenses payable to related party	-	18,603	-
Others	14,528	10,695	117,273
Total	**385,907**	**99,302**	**398,426**

15 PROVISIONS

USD

	Ind AS As at 31.03.2018	Ind AS As at 31.03.2017	Ind AS As at 31.03.2016
Provision for employee benefits			
Provision for compensated absences	513,812	506,221	438,157
Total	**513,812**	**506,221**	**438,157**

16 CURRENT TAX LIABILITIES

USD

	Ind AS As at 31.03.2018	Ind AS As at 31.03.2017	Ind AS As at 31.03.2016
Provision for tax	1,168,135	313,003	1,221,400
Total	**1,168,135**	**313,003**	**1,221,400**

17.1 REVENUE FROM OPERATIONS

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from software services	68,330,247	62,764,287	54,068,825
Revenue from hardware/software product and licenses	-	11,655	-
Other operating revenues	138,123	189,272	163,266
Total	**68,468,370**	**62,965,214**	**54,232,091**

17.2 OTHER INCOME

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest income	133,218	102,402	27,362
Net gain on foreign currency transaction and translation	-	539	-
Provision no longer required written back	610,801	568,862	366,062
Total	**744,019**	**671,803**	**393,424**

18 EMPLOYEE BENEFIT EXPENSES

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries, wages, bonus and allowances	13,524,380	13,061,249	11,511,004
Contribution to 401K fund	174,343	155,692	139,337
Staff welfare expenses	1,163,410	902,881	825,448
Total	**14,862,133**	**14,119,822**	**12,475,789**

19 FINANCE COSTS

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest expense			
Borrowings	229,962	239,751	81,372
Others	-	-	-
Other borrowing costs	43,000	42,883	17,385
Total	**272,962**	**282,634**	**98,757**

20 OTHER EXPENSES

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Power and fuel	7,503	8,058	7,066
Rent	322,377	328,294	263,776
Repairs and maintenance - Machinery	3,620	1,267	6,940
Insurance	19,416	18,839	10,991
Rates and taxes	475,685	442,888	323,346
Communication cost	258,264	307,132	232,216
Facility maintenance	8,935	15,164	19,523
Travelling and conveyance expenses	634,302	1,002,760	488,518
Sales commission	410,078	334,808	332,242
Software Project fees	43,029,946	37,729,020	30,082,080
Professional and technical fees	627,996	592,892	440,599
Legal fees	14,783	51,918	27,020
Insourcing professional fees	5,894,189	6,136,573	5,310,643
Net loss on foreign currency transaction and translation	8,010		67,877
Provision for doubtful trade receivables	-	340,418	148,595
Payment to auditors	29,156	20,640	25,400
Miscellaneous expenses	838,954	888,345	728,273
Total	**52,583,214**	**48,219,016**	**38,515,105**

21 CONTINGENT LIABILITY

There is no contingent liabilities as at date of balance sheet.

22 COMMITMENTS

	31.03.2018	31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

23 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 31.03.2018 (Previous year : Nil)

ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

24. SEGMENT REPORTING

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

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

25. 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.

	31.03.2018	31.03.2017
ii. The total of future minimum lease payments are non-cancellable operating leases are as below :		-
Not later than one year	97,286	229,330
Later than one year and not later than 5 years	-	97,286
Later than 5 years	-	-
iii. The lease payments recognised in the statement of Profit and Loss are as under :		
Included in rent	322,377	328,294
Less : Sub- Lease payment received	-	-
	322,377	**328,294**

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

26. Share-based payments

Other Stock Based Compensation Arrangements

Stock Appreciation Rights Plan provides the certain employee with the right to receive cash that is equal to the increase in the value of the company's shares from the date the right was granted and the right was exercised. They are not entitled to any shares or dividend. This plan has been approved by the Board vide Board Meeting dated May 29, 2017.

The Company has also granted stock appreciation rights plan to certain employees during the year which is subject to certain vesting conditions. Details of the grant/issue as at March 31, 2018 are given below:

Particulars	As per plan	As per plan
Total no. of units/ shares	105,000	60,000
Vested units/ shares	-	-
Lapsed units/ shares	-	-
Forfeited units/ shares	-	-
Cancelled units/ shares	-	-
Outstanding units/ shares as at the end of the year	105,000	60,000
Contractual life	3	3
Date of grant	13.11.2017	29.05.2017
Price per share/ unit Grant price (₹)	**191.95**	**149.65**

The weighted average fair value of each unit under the above mentioned stock appreciation rights plan granted during the year ended was ₹ 199.54 using the Monte Carlo simulation model with the following assumptions:

Particulars	As at 31.03.2018	As at 31.03.2018
Grant date	13.11.2017	29.05.2017
Exercise price (₹)	167.61 - 210.25	214.98-269.68
Dividend yield	-	-
Expected life	3	3
Risk free interest rate	7.01%	6.60%
Volatility	**11.06%**	**12.07%**

27 RELATED PARTY DISCLOSURE

i) Details of related parties :

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

ii) Transactions with related parties :

	Holding Company		Subsidiaries/WOS/Sister Company	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Deputation cost / Service charges / Software project fees				
Sonata Software Limited	42,183,667	36,452,182		
Interactive Business Information Systems Inc.			258,304	245,278
Rezopia Inc			541,931	1,031,560
Sonata Information Tech. Ltd - Singapore			14,598	-
Inter Corporate Deposits given				
Halosys Technologies Inc.			20,000	150,000
Rezopia Inc.			-	300,000
Interactive Business Information Systems Inc.			-	770,000
Sonata Software FZ LLC (Sister concern)			1,400,000	-
Inter corporate borrowings repaid by				
Interactive Business Information Systems Inc.			1,782,313	-
Interest on inter corporate deposits received				
Interactive Business Information Systems Inc.			55,403	53,582
Halosys Technologies Inc.			44,940	42,230
Rezopia Inc			10,532	6,586
Sonata Software FZ LLC (Sister concern)			22,142	-
Commission paid on guarantees received				
Sonata Software Limited	43,000	42,883		
Reimbursement of expenses Paid(AP)				
Sonata Software Limited	46,797	139,371		
Reimbursement of expenses Received(AR)				
Sonata Software Limited	5,398	4,940		
Interactive Business Information Systems Inc.			39,728	258,504
Halosys Technologies Inc.			47,827	83,624
Rezopia Inc			242,162	429,558
Trade payables				
Halosys Technologies Inc.			100,000	-

	Holding Company		Subsidiaries/WOS	
	31.03.2018	31.03.2017	**31.03.2018**	31.03.2017
Balances outstanding at the end of the year				
Trade payables				
Interactive Business Information Systems Inc.			157,630	13,938
Rezopia Inc			631,560	1,031,560
Sonata Information Tech. Ltd - Singapore			14,598	-
Sonata Software Limited	15,973,730	12,570,123		
Advances receivables				
Sonata Software Limited	10,364	4,966		
Halosys Technologies Inc.			128,114	84,287
Rezopia Inc			671,720	552,904
Interest accrued on Intercorporate deposits				
Interactive Business Information Systems Inc.			117,002	140,454
Halosys Technologies Inc.			104,930	59,990
Rezopia Inc			17,118	-
Sonata Software FZ LLC (Sister concern)			22,142	-
Trade Receivables				
Sonata Software Limited	-	54,205		
Inter corporate deposit given				
Interactive Business Information Systems Inc.			187,687	1,970,000
Halosys Technologies Inc.			1,302,112	1,282,112
Rezopia Inc			300,000	300,000
Sonata Software FZ LLC (Sister concern)			1,400,000	-
Advances payables				
Sonata Software Limited	23,054	18,603		
Rezopia Inc			84,048	
Halosys Technologies Inc.			100,000	-
Guarantees received				
Sonata Software Limited	9,000,000	9,000,000		**-**

28 EARNINGS PER SHARE

Particulars	**31.03.2018**	31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Profit attributable to equity shareholders ($)	811,661	824,383
Weighted average number of Equity Shares of $1/- each	300,000	300,000
Earnings Per Share - Basic and Diluted ($)	**2.71**	**2.75**

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

For and on behalf of the Board of Directors

Place : Mumbai

Date: 22th May 2018

Director's Report for the year ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

BUSINESS REVIEW

The principal activity of the company is the provision of software consultancy.

The company's turnover has increased to £5,803,847 (2017: £3,916,065) and profit before tax has increased to £330,808 (2016: £52,058).

During the year, the Company made a strategic investment of DKK 609,646 in IZARA ApS and acquired 15.67% shares of total share capital.

DIRECTORS

The directors who served during the year were:

Mr S Ramarao

Mr T Saha

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

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

SMALL COMPANIES NOTE

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

This report was approved by the board on 17 May 2018 and signed on its behalf.

Mr S Ramarao
Director

Independent Auditors' Report to the Shareholders of Sonata Europe Limited

OPINION

We have audited the financial statements of Sonata Europe Limited (the 'Company') for the year ended 31 March 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Director's report, other than the financial statements and our auditors' report thereon. 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.

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 in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 year 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 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.

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. This description forms part of our auditors' report.

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

Chartered Accountants & Statutory Auditors

Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB
18 May 2018

Statement of Comprehensive Income for the year ended 31 March 2018

	2018 £	2017 £
Turnover	5,803,847	3,916,065
Cost of sales	(4,696,230)	(3,811,199)
Gross profit	**1,107,617**	**104,866**
Administrative expenses	(776,809)	(52,808)
Operating profit	**330,808**	**52,058**
Tax on profit	62,393	(44,400)
Profit for the financial year	**393,201**	**7,658**

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 11 to 18 form part of these financial statements.

Balance Sheet as at 31 March 2018

	Note	2018	£	2017	£
Fixed assets					
Tangible assets	4		71,677		93,793
Investments	5		72,121		-
			143,798		**93,793**
Current assets					
Debtors: amounts falling due after more than one year	6	39,780		39,780	
Debtors: amounts falling due within one year	6	6,215,348		5,410,641	
Cash at bank and in hand	7	1,356,991		1,107,607	
		7,612,119		6,558,028	
Creditors: amounts falling due within one year	8	(1,568,118)		(857,223)	
Net current assets			6,044,001		5,700,805
Total assets less current liabilities			**6,187,799**		**5,794,598**
Net assets			**6,187,799**		**5,794,598**
Capital and reserves					
Called up share capital			2,460,360		2,460,360
Other reserves			3,235,440		3,235,440
Profit and loss account			491,999		98,798
			6,187,799		**5,794,598**

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

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

Mr S Ramarao
Director

Date: 17 May 2018
The notes on pages 11 to 18 form part of these financial statements.

Statement of Changes In Equity for the year ended 31 March 2018

	Called up share capital	Other reserves	Profit and loss account	Total equity
At 1 April 2016	4,610,360	3,235,440	91,140	7,936,940
Comprehensive income for the year				
Profit for the year	-	-	7,658	7,658
Shares redeemed during the year	(2,150,000)	-	-	(2,150,000)
At 1 April 2017				
	2,460,360	3,235,440	98,798	5,794,598
Profit for the year	-	-	393,201	393,201
At 31 March 2018	**2,460,360**	**3,235,440**	**491,999**	**6,187,799**

The notes on 11 18 form part of these financial statements

Statement of Cash Flows for the year ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	393,201	7,658
Adjustments for:		
Depreciation of tangible assets	22,115	22,115
Taxation charge	(62,393)	44,400
Increase in debtors	(773,030)	(400,648)
Increase in creditors	741,612	292,945
Corporation tax received/(paid)	-	(166)
Net cash generated from operating activities	**321,505**	**(33,696)**
Cash flows from investing activities		
Purchase of unlisted and other investments	(72,121)	-
Net cash from investing activities	**(72,121)**	**-**
Cash flows from financing activities		
Purchase of ordinary shares	-	(2,150,000)
Net cash used in financing activities	**-**	**(2,150,000)**
Net increase/(decrease) in cash and cash equivalents	249,384	(2,183,696)
Cash and cash equivalents at beginning of year	1,107,607	3,291,303
Cash and cash equivalents at the end of year	**1,356,991**	**1,107,607**
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,356,991	1,107,607
	1,356,991	**1,107,607**

Notes to the Financial Statements for the year ended 31 March 2018

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Revenue

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

Rendering of services

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

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

2.3 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.5 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.

2.6 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.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 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 non puttable 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 financed at a rate of interest that is not a market rate or in the case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

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

2.8 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.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income 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 the statement of comprehensive income within 'other operating income'.

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with fair value of goods and services received.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

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

2.12 Taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 4 (2017 1).

4. TANGIBLE FIXED ASSETS

	Short term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	93,005	24,595	1,174	118,774
At 1 April 2018	93,005	24,595	1,174	118,774
Depreciation				
At 1 April 2017	20,023	3,784	1,174	24,981
Charge for the year on owned assets	18,601	3,515	-	22,116
At 1 April 2018	38,624	7,299	1,174	47,097
Net book value				
At 1 April 2018	54,381	17,296	-	71,677
At 1 April 2017	72,982	20,811	-	93,793

5. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost or valuation	
Additions	72,121
At 31 March 2018	72,121
Net book value	
At 31 March 2018	72,121
At 31 March 2017	-

During the year, the Company made a strategic investment of DKK 609,646 in IZARA ApS and acquired 15.67% shares of total share capital

6. DEBTORS

	2018 £	2017 £
Due after more than one year		
Other debtors	**39,780**	**39,780**

	2018 £	2017 £
Due within one year		
Trade debtors	1,225,174	521,714
Amounts owed by group undertakings	4,683,053	4,554,198
Other debtors	61,395	32,034
Prepayments and accrued income	245,726	302,695
	6,215,348	**5,410,641**

7. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,356,991	1,356,991

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	4,848	33,200
Amounts owed to group undertakings	1,364,537	490,494
Corporation tax	3,637	34,217
Other taxation and social security	33,124	8,390
Accruals and deferred income	161,972	290,922
	1,568,118	**857,223**

9. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
,459,560 2% redeemable convertible preference shares of £1 each	800	800
	2,459,560	2,460,360
	2,460,360	**2,460,360**

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2018 the Company had future minimum lease payments under non cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	33,150	32,606
Later than 1 year and not later than 5 years	58,013	91,163
	91,163	**123,769**

11. CONTROLLING PARTY

The ultimate controlling party is Sonata Software Limited, a company incorporated in India and listed on the Bombay 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.

Detailed Profit and Loss Account for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover		5,803,847	3,916,065
Cost of Sales		(4,696,229)	(3,811,199)
		1,107,618	**104,866**
Gross profit			
Less: overheads			
Administration expenses		(744,252	(17,513)
Establishment expenses		(32,558)	(35,295)
Operating profit		**330,808**	**52,058**
Tax on profit on ordinary activities		62,393	(44,400)
Profit for the year		**393,201**	**7,658**

Schedule to the Detailed Accounts for the year ended 31 March 2018

	2018 £	2017 £
Turnover		
Overseas Sales	5,803,847	3,916,065
	5,803,847	3,916,065
Cost of sales		
Purchases	4,696,229	3,811,199
	4,696,229	**3,811,199**

Administration expenses

	2018 £	2017 £
Directors national insurance	35,789	26,233
Directors salaries	292,500	226,783
Staff salaries	251,782	28,315
Staff national insurance	35,609	3,721
Staff welfare	4,501	2,788
Entertainment	1,126	2,663
Hotels, travel and subsistence	49,467	68,245
Telephone and fax	2,499	315
Advertising and promotion	12,934	4,750
Trade subscriptions	4,040	-
Legal and professional	31,160	51,721
Auditors' remuneration	12,260	6,475
Accountancy fees	6,056	14,298
Bank charges	7,478	8,496
Bad debts	(32,557)	54,568
Difference on foreign exchange	(123,608)	(540,894)
Sundry expenses	(1,283)	84
Rates	65,612	25,132
Insurances	2,036	2,552
Repairs and maintenance	14,117	9,153
Depreciation other fixed assets	18,600	18,600
Depreciation fixtures and fittings	3,515	3,515
Share option charge	50,619	-
	744,252	**17,513**

Establishment

	2018 £	2017 £
Rent operating leases	32,558	35,295
	32,558	**35,295**

The Report of the Directors for the year ended 31 March 2018

The directors have pleasure in presenting their report and the financial statements for the year ended 31 March 2018.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

RESULTS

The results for the year and the Company's financial position for the year ended 31 March 2018 are shown in the attached financial statements.

DIRECTORS AND THEIR INTEREST

As at 31 March 2018, the directors of the company were Mr. Srikar Reddy Palem and Mr.AnanthaPadmanabhan and they did not hold any shares in the company.

INDEPENDENT AUDITORS

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

Approved by the board on and signed on its behalf by

Director

Independent Auditors' Report as at 31 March 2018

To the shareholder of Sonata Software FZ LLC

OPINION

We have audited the financial statements of Sonata Software FZ LLC (the "Company"), which comprise the statement of financial position as at 31 March 2018 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 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

EMPHASIS OF MATTER – GOING CONCERN

Without qualifying our opinion, we draw attention to note 2, which indicates that the Company has accumulated lossesas at 31 March 2018 amounting to USD 452,346(2017: USD 602,721). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Notwithstanding these facts, these financial statements have been prepared on a going concern basis as the management believes that the Company will generate sufficient profits in future to absorb the losses and the Parent Company have agreed to provide necessary financial support to the Company to enable it to continue its operations and meet its financial obligations as and when they fall due.

BASIS FOR OPINION

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Russell Bedford (Dubai) Limited
Dubai, United Arab Emirates

Statement of Financial Position as at 31 March 2018

	Note	2018 USD	2017 USD
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	5	410	487
CURRENT ASSETS			
Trade and other receivables	6	559,309	834,987
Amounts due from related parties	11	560,454	384,136
Work in progress	7	133,882	345,727
Cash and cash equivalents	8	494,006	229,551
Total current assets		**1,747,651**	**1,794,401**
TOTAL ASSETS		**1,748,061**	**1,794,888**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions for end of service benefits	10	18,425	31,133
CURRENT LIABILITIES			
Amounts due to related parties	11	1,940,024	2,153,659
Trade and other payables	9	105,829	76,688
Total current liabilities		**2,045,853**	**2,230,347**
TOTAL LIABILITIES		**2,064,278**	**2,261,480**
EQUITY			
Share Capital		136,129	136,129
Accumulated losses		(452,346)	(602,721)
Total equity		**(316,217)**	**(466,592)**
TOTAL LIABILITIES AND EQUITY		**1,748,061**	**1,794,888**

The Independent Auditors' Report is set out on pages3 and 4.

Thesefinancial statements were approved by the directors and authorised for issue on and are signed on their behalf by:

Director

SONATA SONATA SOFTWARE

Statement of Comprehensive Income for the year ended 31 March 2018

	Note	For the year ended 31 March2018 USD	For the year ended 31 March 2017 USD
Revenue		2,747,690	2,973,802
Cost of services	4	(2,315,677)	(3,696,335)
GROSS PROFIT/(LOSS) FOR THE YEAR		**432,013**	**(722,533)**
General and administrative expenses	4	(259,496)	(344,616)
Interest expense		(22,142)	–
NET PROFIT/(LOSS) FOR THE YEAR		**150,375**	**(1,067,149)**
OTHER COMPREHENSIVE INCOME		-	-
Total comprehensive profit/(loss) for the year		**150,375**	**(1,067,149)**

The Independent Auditors' Report is set out on pages3 and 4.

Statement of Changes In Equity for the year ended 31 March 2018

	Issued share capital USD	Accumulated Losses USD	Total USD
Balances as at 1 April 2016	136,129	464,428	600,557
Loss for the year	–	(1,067,149)	(1,067,149)
Balances as at31 March 2017	136,129	(602,721)	(466,592)
Balances as at1 April 2017	136,129	(602,721)	(466,592)
Profit for the year	–	150,375	150,375
Balances as at31 March 2018	**136,129**	**(452,346)**	**(316,217)**

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

Statement of Cash Flows for the year ended 31 March 2018

	For the year ended 31 March2018 USD	For the year ended 31 March 2017 USD
Cash flows from operating activities		
Profit/(loss) for the year	150,375	(1,067,149)
Adjustment for non-cash items:		
Provision for doubtful accounts	207	–
Interest expense	22,142	–
Provision for end of service benefits	15,983	17,448
Depreciation and amortisation	77	277
Changes in working capital		
Change in trade and other receivables	275,471	(518,196)
Change in work in progress	211,845	(112,600)
Change in amounts due from related parties	(176,318)	(75,301)
Change in amounts due to related parties	(1,635,777)	1,635,352
Change in trade and other payables	29,141	(12,215)
Cash used in operating activities	(1,106,854)	(132,384)
Employees' end of service benefits paid	(28,691)	(13,946)
Net cash generated from operating activities	**(1,135,545)**	**(146,330)**
CASH FLOWS USED ININVESTING ACTIVITIES		
Purchase of tangible assets	–	(545)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Loan from related party	1,400,000	–
NET INCREASE (DECREASE)		
IN CASH AND CASH EQUIVALENTS	264,455	(146,875)
CASH AND CASH EQUIVALENTS		
At the beginning of the year	229,551	376,426
At the end of the year	**494,006**	**229,551**

The Independent Auditors' Report is set out on pages3 and 4.

Notes to the Financial Statements for the year ended 31 March 2018

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

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

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

2. GOING CONCERN

The Companyas at 31 March 2018has accumulated losses amounting to USD 452,345 (2017: USD 602,721). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Notwithstanding these facts, these financial statements have been prepared on a going concern basis as the management believes that the Company will generate sufficient profits in future to absorb the losses and the Parent Company have agreed to provide the necessary financial support to the Company to enable it to continue its operations and meet its financial obligations as and when they fall due.

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.

Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.

Foreign currency translation

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

Adoption of new standards and amendments

New and amended standards effective as of 1 April 2017 were either not relevant to the Company or did not have any material impact on the presentation and disclosure of items in the financial statements of the Company are as follows:

IAS 7	Disclosure initiative cash flow from financing activities
IAS 12	Recognition of deferred tax assets for unrealised losses
IFRS 12	Annual improvements 2014-2016 cycle
IFRS 1, IAS 28	Annual improvements to IFRS Standards 2014-2017 cycle (effective for annual periods beginning on or after 1 January 2018)
IFRS 2	Clarification on the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018)
IFRS 4	Insurance contracts (overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date)
IFRS 9	Requirements for classification and measurement, impairment, general hedge accounting and derecognition of financial instruments (effective for annual periods beginning on or after 1 January 2018)
IFRS 9	Amendments regarding prepayments features with negative compensation and modification of liabilities (effective for annual periods beginning on or after 1 January 2019)
IFRS 15	Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)
IAS 40	Clarification on transfers of property to, or from, investment property (effective for annual periods beginning on or after 1 January 2018)
IFRIC 22	Foreign currency transactions and advance consideration (applicable to annual reporting periods beginning on or after 1 January 2018)

IASB standards and interpretations issued but not adopted

A number of new standards, amendments to standards and interpretations are either applicable or effective for accounting periods starting after 31 March 2018, and have not been adopted in preparing these financial statements:

IFRS 16	Leases (applicable to annual reporting periods beginning on or after 1 January 2019)
IFRS 17	Replaces IFRS 4 – Insurance Contracts (applicable to annual reporting periods beginning on or after 1 January 2021)
IAS 19	Amendments regarding plan amendments, curtailments or settlements (effective for annual periods beginning on or after 1 January 2019)
IFRS 10, IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (effective date deferred indefinitely)

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

Tangible assets

All tangible assets are stated at historical cost less depreciation and provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

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

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

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

Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

Financial assets

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

Loans and receivables

Loans and receivables comprise of cash and cash equivalents, deposits, amounts due from related parties and other receivables that have fixed or determinable payments and are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period and these are classified as non-current assets. Loans and receivables are carried at amortised cost.

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 amounts of cash and are subject to an insignificant risk of changes in value with original maturities of three months or less.

Impairment of financial assets

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

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

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 entity. 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 other payables and amounts due to related parties. 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.

Financial liabilities

Derecognition of financial liabilities

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

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition

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

Sales of services

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

Interest income

Interest incomeis recognized in the Statement of Comprehensive Income using the effective interest method.

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.

4. NET PROFIT (LOSS)

Net profit(loss) is stated after charging:

	For the year ended 31 March2018 USD	For the year ended 31 March2017 USD
Software project fees	1,808,006	3,001,950
Rent and maintenance	202,162	241,272
Salaries	459,899	625,110
Auditor's remuneration	19,607	18,000
Sales commission	27,898	83,730
Foreign exchange and loss	9,537	13,061
Telephone and internet	16,147	16,049
Other administrative expenses	31,917	41,779
	2,575,173	**4,040,951**

5. TANGIBLE ASSETS

	Leasehold improvements USD	Office equipment USD	Computers and peripherals USD	Furniture and fixtures USD	Total USD
Cost					
At 1 April 2016 and					
31 March 2017	2,852	451	8,268	4,691	16,262
At 1 April 2017 and					
31 March 2018	2,852	451	8,628	5,236	16,807
Accumulated depreciation					
At 1 April 2016	2,852	451	8,049	4,691	16,043
Charge during the year	–	–	219	58	277
At 31March 2017	2,852	451	8,268	4,749	16,320
At 1 April 2017	2,852	451	8,268	4,749	16,320
Charge during the year	-	-	-	77	77
At 31March 2018	2,852	451	8,268	4,826	16,397
Net book value					
At 31 March 2018	-	-	-	410	410
At 31 March 2017	-	-	-	487	487

6. TRADE AND OTHER RECEIVABLES

	2018 USD	2017 USD
Trade receivables	637,328	913,654
Prepayments	9,547	12,199
Other receivables and deposits	28,042	24,535
	674,917	950,388
Less provision for doubtful debts	115,608	115,401
	559,309	**834,987**
The movements in the provision for doubtful debts are as follows:		
	2018 USD	2017 USD
Balance at the beginning of year	115,401	380,214
Doubtful debts	207	–
Balance at the end of year	**115,608**	**115,401**

7. WORK IN PROGRESS

	2018 USD	2017 USD
Work in progress	**133,882**	**345,727**

8. CASH AND CASH EQUIVALENTS

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

9. TRADE AND OTHER PAYABLES

	2018 USD	2017 USD
Accrued expenses	41,821	38,717
Accrued salaries and benefits	23,497	25,356
Accrued sales commission	40,511	12,615
	105,829	**76,688**

10. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2018 USD	2017 USD
As at 1 April	31,133	27,631
Charge for the year	15,983	17,448
Less: paid during the year	(28,691)	(13,946)
As at 31 March	**18,425**	**31,133**

11. RELATED PARTY TRANSACTIONS

The Company, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. 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:

	For the year ended 31 March 2018 USD	For the year ended 31 March 2017 USD
Operational charges to related party	1,900,683	3,624,134
Reimbursement of expenses	1,043	2,622
Loan from related party	1,400,000	–
Interest expense on loan	22,142	–
	3,323,868	**3,626,756**

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

	2018 USD	2017 USD
Amounts due from related parties		
Sonata Software (Qatar)	529,126	351,765
Mohamed Nasser Abdullah Al Misnad	28,422	28,422
Sonata Software Limited	2,906	3,949
	560,454	**384,136**

	2018 USD	2017 USD
Amounts due to related parties		
Sonata Software Limited	517,882	2,144,154
Sonata Information Technologies Ltd	–	9,505
Sonata Software North America Inc.*	1,422,142	–
	1,940,024	**2,153,659**

*The Company obtained a loan from Sonata Software North America with an interest rate per annum of 3.5% on May 23, 2017, August 8, 2017 and March 26, 2018 amounting to USD 500,000, USD 300,000, and USD 600,000, respectively. The loan is repayable on demand. Total interest expense accrued amounted to USD 22,142 and nil for the year ended 31 March 2018 and 2017, respectively.

13. SHARE CAPITAL

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

	2018		2017	
	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**

14. FINANCIAL INSTRUMENTS

	2018		2017	
	Carrying amount USD	**Fair value USD**	Carrying amount USD	Fair value USD
Financial assets				
Cash and cash equivalents	494,006	494,006	229,551	229,551
Amounts due from related parties	560,454	560,454	384,136	384,136
Trade and other receivables	549,762	549,762	822,788	822,788
Financial liabilities				
Trade and other payables	105,829	105,829	76,688	76,688
Amounts due to related parties	1,940,024	1,940,024	2,153,659	2,153,659
Provision for employee's end of service benefits	**18,425**	**18,425**	**31,133**	**31,133**

The fair value of financial assets and liabilities approximate the book value at 31 March 2018.

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

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

The company manages these risks as follows:

Credit risk

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

Liquidity risk

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

15. ACCOUNTING ESTIMATES AND JUDGMENTS

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

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 more than one year.

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

	2018 USD	2017 USD
Less than one year	95,628	147,342
Between two and five years	–	53,536
	95,628	**200,878**

18. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

As at 31 March 2018, there are no known legal proceedings or other contingent liabilities against the Company (2017: Nil).

Commitments

The Company does not have any significant capital commitments as at 31 March 2018 (2017: Nil).

19. SUBSEQUENT EVENTS

There were no subsequent events after the reporting date.

Sonata Software (Qatar)

The report of the general managers for the year ended 31 March 2018

The general managers have pleasure in presenting their report and the financial statements for the year ended 31 March 2018.

PRINCIPAL ACTIVITY OF THE BUSINESS

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

RESULTS

The results for the year and the Company's financial position as at 31 March 2018 are shown in the attached financial statements.

GENERAL MANAGERS AND THEIR INTEREST

As at 31 March 2018, the general managers of the company are Mr. Anantha Balasubramanian and Mr. Mysore Prasad and they do not hold any shares in the Company.

INDEPENDENT AUDITORS

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

Approved on and signed on behalf of the general managers by:

General Manager

Independent Auditors' Report

TO THE SHAREHOLDERS OF SONATA SOFTWARE (QATAR)

OPINION

We have audited the financial statements of Sonata Software (Qatar) (the "Company"), which comprise the statement of financial position as at 31 March 2018 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 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

EMPHASIS OF MATTER – GOING CONCERN

Without qualifying our opinion, we draw attention to note 2, which indicate that the Company has incurred a net loss of USD 114,887 during the year ended 31 March 2018 (USD 74,396), and as at that date, the accumulated losses amounted to USD 517,094 (2017: USD 402,407). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Notwithstanding these facts, these financial statements have been prepared on a going concern basis as the management believes that the Company will generate sufficient profits in future to absorb the losses and the shareholders have agreed to provide necessary financial support to the Company to enable it to continue its operations and meet its financial obligations as and when they fall due.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Russell Bedford (Dubai) Limited
Dubai, United Arab Emirates

Statement of Financial Position As At 31 March 2018

	Notes	31 March 2018 USD	31 March 2017 USD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,649	25,413
Prepayments and other receivables	6	15,707	7,659
Amounts due from a related party	7	92,679	–
TOTAL ASSETS		**110,035**	**33,072**
LIABILITIES			
CURRENT LIABILITIES			
Amounts due to a related party	7	529,126	351,765
Other payables	8	42,923	28,434
TOTAL LIABILITIES		572,049	380,199
EQUITY			
Share capital	9	55,080	55,080
Accumulated losses		(517,094)	(402,207)
Total equity		(462,014)	(347,127)
TOTAL LIABILITIES AND EQUITY		**110,035**	**33,072**

The Independent Auditors' Report is set out on pages 3 and 4.
These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by:

General Manager

Statement of Comprehensive Income for the year ended 31 March 2018

	Note	For the year ended 31 March 2018 USD	For the year ended 31 March 2017 USD
Revenue		92,679	–
Cost of services		(92,679)	–
GROSS PROFIT FOR THE YEAR		–	–
General and administrative expenses		(114,893)	(74,413)
Interest income		6	17
NET LOSS FOR THE YEAR	4	(114,887)	(74,396)
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(114,887)**	**(74,396)**

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

Statement of Changes In Equity for the year ended 31 March 2018

	Issued share capital USD	Accumulated losses USD	Total USD
As at 1 April 2016	55,080	(327,811)	(272,731)
Loss for the year	–	(74,396)	(74,396)
As at 31 March 2017	**55,080**	**(402,207)**	**(347,127)**
As at 1 April 2017	55,080	(402,207)	(347,127)
Loss for the year	–	(114,887)	(114,887)
As at 31 March 2018	**55,080**	**(517,094)**	**(462,014)**

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

Statement of Cash Flows for the year ended 31 March 2018

	For the year ended 31 March 2018 USD	For the year ended 31 March 2017 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(114,887)	(74,396)
CHANGES IN WORKING CAPITAL		
Change in prepayments and other receivables	(8,048)	787
Change in amounts due from a related party	177,361	71,352
Change in amounts due to a related party	(92,679)	–
Change in other payables	14,489	(6,952)
NET CASH USED IN OPERATING ACTIVITIES	**(23,764)**	**(9,209)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(23,764)**	**(9,209)**
CASH AND CASH EQUIVALENTS		
At the beginning of the year	25,413	34,622
At the end of the year	**1,649**	**25,413**

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

NOTES forming part of financial statements

1. Legal status and principal activities

Sonata Software (Qatar) ("the Company") is a limited liability company incorporated on

7 June 2011and is registered in the Qatar Chamber of Commerce and Industry in Doha, Qatar. The principal activity of the company is software development and information technology consulting.

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

2. Going concern

The Company has incurred a net loss of USD 114,887 during the year ended 31 March 2018 (2017: USD 74,396), and as at that date, the accumulated losses amounted to USD 517,094 (2017: USD 402,207). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Notwithstanding these facts, these financial statements have been prepared on a going concern basis as the management believes that the Company will generate sufficient profits in future to absorb the losses and the shareholders have agreed to provide the necessary financial support to the Company to enable it to continue its operations and meet its financial obligations as and when they fall due.

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.

There were no judgments made by management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment.

Foreign currency translation

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

Adoption of new standards and amendments

New and amended standards effective as of 1 April 2017 were either not relevant to the Company or did not have any material impact on the presentation and disclosure of items in the financial statements of the Company are as follows:

IAS 7	Disclosure initiative cash flow from financing activities (effective 1 January 2017)
IAS 12	Recognition of deferred tax assets for unrealised losses (effective 1 January 2017)
IFRS 12	Annual improvements 2014-2016 cycle (effective 1 January 2017) IFRS 1,
IAS 28	Annual improvements to IFRS Standards 2014-2017 cycle (effective for annual periods beginning on or after 1 January 2018)
IFRS 2	Clarification on the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018)
IFRS 4	Insurance contracts (overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date)
IFRS 9	Requirements for classification and measurement, impairment, general hedge accounting and derecognition of financial instruments (effective for annual periods beginning on or after 1 January 2018)
IFRS 15	Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)
IAS 40	Clarification on transfers of property to, or from, investment property (effective for annual periods beginning on or after 1 January 2018)
IFRIC 22	Foreign currency transactions and advance consideration (applicable to annual reporting periods beginning on or after 1 January 2018)

IASB standards and interpretations issued but not adopted

A number of new standards, amendments to standards and interpretations are either applicable or effective for accounting periods starting after 31 March 2018, and have not been adopted in preparing these financial statements:

IFRS 16	Leases (applicable to annual reporting periods beginning on or after 1 January 2019)
IFRS 17	Replaces IFRS 4 – Insurance Contracts (applicable to annual reporting periods beginning on or after 1 January 2021)
IFRS 9	Amendments regarding prepayments features with negative compensation and modification of liabilities (effective for annual periods beginning on or after 1 January 2019)

IAS 19	Amendments regarding plan amendments, curtailments or settlements (effective for annual periods beginning on or after 1 January 2019)
IFRS 10, IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (effective date deferred indefinitely)

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

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

Financial assets

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

Loans and receivables

Loans and receivables comprise of deposit, amounts due from related parties and other receivables that have fixed or determinable payments and are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of reporting period and these are classified as non-current assets. Loans and receivables are carried at amortised cost.

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.

Impairment of financial assets

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

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

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 entity. 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 other payables and amounts due to related parties. 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 has expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition

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

Sales of services

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

Interest income

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

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.

4. Net loss

Net loss is stated after charging:

	For the year ended 31 March 2018 USD	For the year ended 31 March 2017 USD
Staff costs	67,418	44,138
Office rent	22,121	–
Auditors' remuneration	18,592	12,718
	108,131	**56,856**

5. Cash and cash equivalents

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

6. Prepayments and other receivables

	2018 USD	2017 USD
Prepayments	3,580	3,784
Security deposit and other receivables	12,127	3,875
	15,707	**7,659**

7. Related party transactions

he 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:

	For the year ended 31 March 2018 USD	For the year ended 31 March 2017 USD
Operational charges to related party	92,679	–
Reimbursement of expenses	84,682	71,352
	177,361	**71,352**

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

	2018 USD	2017 USD
Amounts due to a related party		
Sonata Software FZ LCC	**529,126**	**351,765**

	2018 USD	2017 USD
Amounts due from a related party		
Sonata Software Limited	**92,679**	**–**

8. Other payables

	2018 USD	2017 USD
Accrued expenses	39,827	27,274
Accrued salaries and benefits	3,096	1,160
	42,923	**28,434**

9. Share capital

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

	2018		2017	
	Number of shares	Amount USD	Number of shares	Amount USD
Authorised shares of QAR 1,000				
each (converted to USD at the rate of 0.275 each)	200	55,080	200	55,080
Issued and paid	**200**	**55,080**	**200**	**55,080**

10. Financial instruments

	2018		2017	
	Carrying amount USD	Fair value USD	Carrying amount USD	Fair value USD
Financial assets				
Cash and cash equivalents	1,649	1,649	25,413	25,413
Security deposit and other receivables	3,875	3,875	3,875	3,875
Amounts due from a related party	92,679	92,679	–	–
Financial liabilities				
Other payables	42,923	42,923	28,434	28,434
Amounts due to a related party	**529,126**	**529,126**	**351,765**	**351,765**

The fair value of financial assets and liabilities approximate their book value at 31 March 2018. Accounting policies for financial assets and financial liabilities are set out in Note 3.

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

Liquidity risk

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

11. Capital risk management

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

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

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

12. Operating lease commitments

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

The total future minimum lease payments are as follows:

	2018 USD	2017 USD
Less than one year	21,264	13,244
Between two and five years	12,404	–
	33,668	**13,244**

13. Contingent liabilities and commitments

Contingent liabilities

As at 31 March 2018, there are no known legal proceedings or other contingent liabilities against the Company (2017: Nil).

Commitments

The Company does not have any significant capital commitments as at 31 March 2018

(2017: Nil).

14. Subsequent events

There were no subsequent events after the reporting date.

Rezopia INC.

BALANCE SHEET as at March 31, 2018

USD

	Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	3	-	-	790
Other non-current assets	4	1,728	1,745	4,346
Total non-current assets		**1,728**	**1,745**	**5,136**
CURRENT ASSETS				
Financial assets	5			
Trade receivables	5.1	715,609	1,031,560	152,909
Cash and cash equivalents	5.2	312,044	135,410	379,806
Other financial assets	5.3	-	-	5,885
Total current assets		**1,027,653**	**1,166,970**	**538,600**
Total assets		**1,029,381**	**1,168,715**	**543,737**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	6	86	86	86
Other equity	7	(181,931)	30,288	(140,187)
Total Equity		**(181,845)**	**30,374**	**(140,101)**
Current liabilities				
Financial liabilities	8			
Borrowings	8.1	300,000	300,000	-
Trade payables		215,147	278,851	661,692
Other financial liabilities	8.2	17,118	6,586	-
Other current liabilities	9	678,961	552,904	22,145
Total current liabilities		**1,211,226**	**1,138,341**	**683,837**
Total equity and liabilities		**1,029,381**	**1,168,715**	**543,736**

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2018

USD

	Note No	For the year ended 31.03.2018	For the year ended 31.03.2017
INCOME			
Revenue from operations	10.1	675,531	1,475,439
Other income	10.2	11	13,988
Total revenue		**675,542**	**1,489,427**
EXPENSES			
Employee benefit expenses	11	192,000	379,515
Finance costs	12	10,532	6,586
Other expenses	13	685,229	932,851
		887,761	**1,318,952**
Profit before tax		(212,219)	170,475
Tax expense		-	-
Current tax expense		-	-
Net tax expense		**-**	**-**
Profit after tax		**(212,219)**	**170,475**
Earnings per share - Basic and Diluted	18	**(0.25)**	**0.20**

See accompanying notes forming part of financial statements

CASH FLOW STATEMENT for the year ended March 31, 2018

USD

		For the year ended 31.03.2018	For the year ended 31.03.2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit/(loss) before tax	**(212,219)**	**170,475**
	Adjustments for :		
	Interest expense	10,532	6,586
	Fixed Assets written off	-	790
	Operating Profit before working capital changes	**(201,687)**	**177,851**
	Adjustments for :		
	Decrease/(increase) in trade receivables	315,951	(878,652)
	Decrease/(increase) in short-term loans and advances	17	8,487
	(Decrease)/increase in trade payables	(63,704)	(288,987)
	(Decrease)/increase in other current liabilities	136,589	436,905
	Cash generated from operations	**187,166**	**(544,395)**
	Direct taxes/advance tax paid (net)	-	-
	Net cash from operating activities	**187,166**	**(544,395)**
	Net cash from operating activities after exceptional items	**187,166**	**(544,395)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds/(repayment) from/(of) short-term borrowings (net)	(10,532)	300,000
	Net cash flow from financing activities	**(10,532)**	**300,000**
	Net increase/(decrease) in cash and cash equivalents	176,634	(244,395)
	Opening cash and cash equivalents	135,410	379,806
	Closing cash and cash equivalents	**312,044**	**135,411**
	Cash and cash equivalents at the end of the year Comprises :		
	Balances with banks		
	In Current accounts	**312,044**	**135,410**
		312,044	**135,410**

See accompanying notes forming part of financial statements

NOTES forming part of financial statements

1 CORPORATE INFORMATION

Rezopia Inc. ("Rezopia" 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. The Company is a public limited company incorporated in US with its registered office at Delaware,USA. Sonata Software Limited through its wholly owned subsidiary, Sonata software North America Inc has acquired 60% ownership of Rezopia Inc on 11th September 2015. The financial statements were authorised for issuance by the Company's Board of Directors on 22nd May 2018. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (""Ind AS"") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules, 2016 as applicable. Upto the year ended March 31, 2017, the Company prepared and presented its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 (Indian GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'. The date of transition to Ind AS is April 1, 2016.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis.

c. Use of judgement, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make 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. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

The areas involving critical estimates or judgements are:

i. **Depreciation and amortisation:** Depreciation and amortisation is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. **Employee Benefits:** The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations.

iii. **Provision and contingencies:** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the Balance Sheet date.

iv. **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.

2.2 Functional and presentation currency : The functional and presentation currency of the Company is USD.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

On Transition: For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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.

b. 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.

c. Financial Instruments

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

i. **Financial assets at amortised cost** - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less impairment loss if any. Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

Financial liabilities

Initial recognition and measurement - Financial liabilities are measured at amortised cost using effective interest 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.

d. Employee Benefits

Employee benefits include washington taxes, 401K payable, Newyork disability payable and Gross receipt tax.

Short-term employee benefits -need to be updated

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. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

e. Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cashflows at pre-tax rate that reflects the current market assessments of the time value of the money and the risks specific to the liability. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

f. 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.

a) **Current income tax -** Current income tax 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 period. 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 period. 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.

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.

g. 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.

h. Revenue Recognition

The Company derives revenue primarily from Information Technology Services and Solutions. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. 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 when services are rendered and related costs are incurred.

b) **Fixed-price contracts**

Revenues from fixed price contracts are recognised over the life of the contract using percentage of completion method, with contract costs determining the stage of completion at the end of the reporting period. Foreseeable losses on such contracts are recognised when probable.

c) **Hardware/software products and licenses**

Revenues from sale of product and licenses are recognised on transfer of significant risks and rewards of ownership to the buyers, which generally coincides with delivery where there is no customization required. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) **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.

Revenues are reported net of applicable discounts and allowances.

i. **Borrowing Costs:**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

j. **Finance Income and expense**

Finance income consists of interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method. 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.

k. **Share based payments**

Employees of the Company receive remuneration in the form of cash settled share based transaction, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The equity instruments are granted by the Employee Welfare Trust. The expense is recognized in the Statement of Profit and Loss with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The fair value of the amount payable to the employees in respect of Stock Appreciation Rights (SAR), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR plan. Any changes in the liability are recognized in Statement of Profit and Loss."

l. **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. 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 Statment 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 profit or 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 profit or loss. 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")."

m. **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

n. **Contingent Liabilities**

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated.

o. Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

p. 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.

q. First-time adoption – mandatory exceptions, optional exemptions

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with relevant rules issued thereunder in terms of the SEBI LODR, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). The adoption of Ind AS was carried out in accordance with Ind AS 101, considering April 01, 2016 as the transition date. Pursuant to adoption of Ind AS, the differences in the carrying amounts of assets and liabilities on the transition date under the previous GAAP and the balances on adoption of Ind AS have been recognised directly in equity. The financial statements for the year ended March 31, 2018, March 31, 2017 and as at 01 April 2016 have been presented under Ind AS for comparative purposes. Accounting policies have been applied consistently to all periods presented in these Financial Results.

In preparing the opening Ind AS statement of financial position, adjustments are carried out to the amounts reported in financial statements prepared in accordance with previous GAAP.

r. New standards and interpretations not yet adopted

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

3 : PROPERTY, PLANT AND EQUIPMENT

USD

Particulars	Tangible Assets	
	Furniture and Fixtures	Total Tangible Assets
Deemed cost		
As at April 1, 2016	790	790
Additions		-
Disposals/Write off	(790)	(790)
As at March 31, 2017	**-**	**-**
As at April 1, 2017	**-**	**-**
Additions	-	-
Disposals/Write off	-	-
As at March 31, 2018	**-**	**-**
Depreciation/ Amortization		
As at April 1, 2016	-	-
Charge for the Year	-	-
As at March 31, 2017	**-**	**-**
As at April 1, 2017	**-**	**-**
Charge for the Year	-	-
As at March 31, 2018	-	-
Net Block		
As at April 1, 2016	**790**	**790**
As at March 31, 2017	**-**	**-**
As at March 31, 2018	**-**	**-**

4. OTHER NON-CURRENT ASSETS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Advance tax	800	800	-
Other recoverables	928	945	4,346
Total	**1,728**	**1,745**	**4,346**

5.1. TRADE RECEIVABLES

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Unsecured			
Considered good	715,608	1,031,560	152,909
Considered doubtful	750	750	1,430
	716,358	1,032,310	154,338
Less : Allowances for credit losses	750	750	1,430
Total	**715,609**	**1,031,560**	**152,909**

5.2. CASH AND CASH EQUIVALENTS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Balances with banks			
In Current accounts	312,044	135,410	379,806
Total	**312,044**	**135,410**	**379,806**

5.3. OTHER FINANCIAL ASSETS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Security deposits	-	-	5,885
Total	**-**	**-**	**5,885**

6. EQUITY SHARE CAPITAL

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Issued, Subscribed and paid-up			
$0.0001 per value 860,000 shares each fully paid-up	86	86	86
Total	**86**	**86**	**86**

7. OTHER EQUITY

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Surplus in Statement of Profit and Loss			
Opening balance	30,288	(140,187)	(62,172)
Profit for the year	(212,219)	170,475	(78,015)
Closing balance	**(181,931)**	**30,288**	**(140,187)**
Total	**(181,931)**	**30,288**	**(140,187)**

8.1. BORROWINGS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Loans and advances from related parties			
Inter-corporate borrowings from holding Company - Unsecured (Refer Note 17)	300,000	300,000	-
Total	**300,000**	**300,000**	**-**

8.2. OTHER FINANCIAL LIABILITIES

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Interest accrued on Inter-corporate borrowings	17,118	6,586	-
Total	**17,118**	**6,586**	**-**

9. OTHER CURRENT LIABILITIES

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Other payables			
Reimbursable expenses payable to related party	678,961	552,904	22,145
Total	**678,961**	**552,904**	**22,145**

10.1. REVENUE FROM OPERATIONS

USD

	As At 31.03.2018	As At 31.03.2017
Revenue from Software services	133,600	443,879
License Fees	541,931	1,031,560
Total	**675,531**	**1,475,439**

10.2. OTHER INCOME

USD

	As At 31.03.2018	As At 31.03.2017
Provision no longer required	-	680
Miscellaneous income	11	13,308
Total	**11**	**13,988**

11. EMPLOYEE BENEFIT EXPENSES

USD

	As At 31.03.2018	As At 31.03.2017
Salaries and allowances	192,000	379,515
Total	**192,000**	**379,515**

12. FINANCE COSTS

USD

	As At 31.03.2018	As At 31.03.2017
Interest Expense - Others	10,532	6,586
Total	**10,532**	**6,586**

13. OTHER EXPENSES

USD

	As At 31.03.2018	As At 31.03.2017
Rates and taxes	608	-
Software Project fees	256,134	458,642
Professional and technical fees	418,376	441,294
Miscellaneous expenses	10,111	32,914
Total	**685,229**	**932,850**

14. CONTINGENT LIABILITY

There is no contingent liabilities for the period.

15 COMMITMENTS

	31.03.2018	31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

16. SEGMENT REPORTING

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

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

17 RELATED PARTY DISCLOSURE

i) Details of related parties :

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

ii) Transactions with related parties :

Particulars	Holding Company	
	31.03.2018	31.03.2017
Deputation cost / Service charges / Software project fees		
Sonata Software Ltd - Rendering of Services	256,134	311,780
Rendering of services		
Sonata Software North America Inc.	541,930	1,031,560
Interest on inter corporate deposits		
Sonata Software North America Inc.	10,532	6,586
Salary Overseas		
Sonata Software North America Inc.	-	379,515
Reimbursement of expenses paid		
Sonata Software North America Inc.	242,162	429,558
Sonata Software Ltd - Reimbursement of expenses	7,241	5,965
Inter corporate deposit taken		
Sonata Software North America Inc.	-	300,000

Particulars	Holding Company	
	31.03.2018	31.03.2017
Balances outstanding at the end of the year		
Trade payables		
Sonata Software North America Inc.	-	552,904
Sonata Software Ltd.	169,579	-
Trade receivables		
Sonata Software North America Inc.	631,560	-
Advances payables		
Sonata Software North America Inc.	671,720	429,558
Sonata Software Ltd.	7,241	-
Interest payable on borrowings		
Sonata Software North America Inc.	17,118	6,586
Advances receivables		
Sonata Software North America Inc.	84,048	1,031,560
Inter corporate borrowings		
Sonata Software North America Inc.	300,000	300,000

18. EARNINGS PER SHARE

Particulars	31.03.2018	31.03.2017
Profit attributable to equity shareholders (USD)	(212,219)	170,476
Weighted average number of Equity Shares of $ 0.0001/- each	860,000	860,000
Earnings Per Share - Basic and Diluted (USD)	(0.25)	0.20

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

For and on behalf of the Board of Directors

Halosys Technologies Inc

BALANCE SHEET as at March 31, 2018

USD

	Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	3	-	-	2,047
TOTAL NON-CURRENT ASSETS		**-**	**-**	**2,047**
CURRENT ASSETS				
Financial assets	4			
Trade receivables	4.1	100,000	750	17,576
Cash and cash equivalents	4.2	24,700	35,908	36,133
Loans	4.3	255,451	522,996	555,127
TOTAL CURRENT ASSETS		**380,151**	**559,654**	**608,836**
TOTAL ASSETS		**380,151**	**559,654**	**610,883**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	5	62,545	62,545	62,545
Other equity	6	(1,228,966)	(943,834)	(664,445)
Total Equity		**(1,166,421)**	**(881,289)**	**(601,900)**
LIABILITIES				
CURRENT LIABILITIES				
Financial liabilities	7			
Borrowings	7.1	1,302,112	1,282,112	1,132,112
Trade payables		6,024	11,482	42,200
Other Financial liabilities	7.2	237,686	144,277	18,884
Other current liabilities	8	750	-	11,250
Provisions	9	-	3,072	8,337
TOTAL CURRENT LIABILITIES		**1,546,572**	**1,440,943**	**1,212,783**
TOTAL EQUITY AND LIABILITIES		**380,151**	**559,654**	**610,883**

See accompanying notes forming part of the financial statements

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2018

USD

	Note No	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
REVENUE				
Revenue from operations	10.1	104,050	11,250	227,752
Other income	10.2	-	16,723	41,652
Total revenue		**104,050**	**27,973**	**269,404**
EXPENSES				
Employee benefit expenses	11	53,415	190,730	234,612
Finance costs	12	44,940	42,230	58,351
Other expenses	13	290,826	75,874	224,516
TOTAL EXPENSES		**389,181**	**308,834**	**517,479**
Profit before tax		**(285,131)**	**(280,861)**	**(248,075)**
Tax expense				
Current tax expense		-	(1,472)	-
Excess provision for earlier years		-	-	-
Net tax expense		**-**	**(1,472)**	**-**
Profit after tax		**(285,131)**	**(279,389)**	**(248,075)**
Earnings per share - Basic and Diluted (on $ 1 per share)	18	(0.02)	(0.02)	(0.02)

See accompanying notes forming part of the financial statements

CASH FLOW STATEMENT for the year ended March 31, 2018

USD

			Year ended 31.03.2018	Year ended 31.03.2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax		(285,131)	(280,861)
	Adjustments for :			
	Fixed Assets written off		-	2,047
	Interest expense		44,940	42,230
	Operating Profit before working capital changes		**(240,191)**	**(236,584)**
	Adjustments for :			
	Decrease/(increase) in trade receivables		(99,250)	16,826
	Decrease/(increase) in short-term loans and advances		267,545	32,131
	(Decrease)/increase in trade payables		(5,458)	(30,718)
	(Decrease)/increase in other current liabilities		(44,190)	(11,250)
	(Decrease)/increase in other financial liabilities		93,409	83,163
	(Decrease)/increase in short-term provisions		(3,072)	(3,793)
	Cash generated from operations		**(31,207)**	**(150,225)**
	Direct taxes/advance tax paid (net)		-	-
	Net cash from operating activities	**A**	**(31,207)**	**(150,225)**
	Net cash from operating activities after exceptional items		**(31,207)**	**(150,225)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Proceeds from Short term borrowings		20,000	150,000
	Net cash flow from investing activities	**B**	**20,000**	**150,000**
	Net increase/(decrease) in cash and cash equivalents	**(A+B)**	(11,207)	(225)
	Opening cash and cash equivalents		35,908	36,133
	Closing cash and cash equivalents		**24,700**	**35,908**
	Cash and cash equivalents at the end of the year Comprises :			
	Balances with banks			
	In Current accounts		24,700	35,908
			24,700	**35,908**

See accompanying notes forming part of the financial statements

NOTES forming part of financial statements

1 CORPORATE INFORMATION

Halosys Technologies Inc. ("Halosys" or the "Company") is a Company primarily engaged in the business of providing enterprise mobile backend API platform and mobile information management solution. The Company is incorporated in US with its registered office at California,USA. Sonata Software Limited through its wholly owned subsidiary, Sonata Software North America Inc.has acquired 100% ownership of Halosys Inc on 11th September 2015. The financial statements were authorised for issuance by the Company's Board of Directors on 22nd May 2018. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules, 2016 as applicable. Upto the year ended March 31, 2017, the Company prepared and presented its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 (Indian GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'. The date of transition to Ind AS is April 1, 2016."

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis.

c. Use of judgement, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make 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. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

The areas involving critical estimates or judgements are:

i. **Depreciation and amortisation:** Depreciation and amortisation is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. **Employee Benefits :** The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations.

iii. **Provision and contingencies :** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the Balance Sheet date.

iv. **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.

2.2 Functional and presentation currency : The functional and presentation currency of the Company is USD.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

On Transition : For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Subsequent to Transition:

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

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.

b. 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 work- in-progress.

c. 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.

b. Financial Instruments

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

i. Financial assets at amortised cost -

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 which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less impairment loss if any.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

Financial liabilities

Initial recognition and measurement - Financial liabilities are measured at amortised cost using effective interest 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.

c. Employee Benefits

Employee benefits include 401K payable.

Short-term employee benefits -need to be updated

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. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

c. Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects the current market assessments of the time value of the money and the risks specific to the liability. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

d. 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.

e. Revenue Recognition

The Company derives revenue primarily from Information Technology Services and Solutions. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. 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 when services are rendered and related costs are incurred.

b) Fixed-price contracts

Revenues from fixed price contracts are recognised over the life of the contract using percentage of completion method, with contract costs determining the stage of completion at the end of the reporting period. Foreseeable losses on such contracts are recognised when probable.

c) **Hardware/software products and licenses**

Revenues from sale of product and licenses are recognised on transfer of significant risks and rewards of ownership to the buyers, which generally coincides with delivery where there is no customization required. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) **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.

Revenues are reported net of applicable discounts and allowances.

f. Borrowing Costs:

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

g. Finance Income and expense

Finance income consists of interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method. 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."

h. 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. 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 Statment 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 profit or 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 profit or loss. 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")."

i. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

j. Contingent Liabilities

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated.

k. Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

l. 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."

m. First-time adoption – mandatory exceptions, optional exemptions

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with relevant rules issued thereunder in terms of the SEBI LODR, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). The adoption of Ind AS was carried out in accordance with Ind AS 101, considering April 01, 2016 as the transition date. Pursuant to adoption of Ind AS, the differences in the carrying amounts of assets and liabilities on the transition date under the previous GAAP and the balances on adoption of Ind AS have been recognised directly in equity. The financial statements for the year ended March 31, 2018, March 31, 2017 and as at 01 April 2016 have been presented under Ind AS for comparative purposes. Accounting policies have been applied consistently to all periods presented in these Financial Results.

In preparing the opening Ind AS statement of financial position, adjustments are carried out to the amounts reported in financial statements prepared in accordance with previous GAAP.

n. New standards and interpretations not yet adopted

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

USD

Particulars	Tangible Assets	
	Plant and Equipments	Total Tangible Assets
Deemed cost		
As at April 1, 2016	2,047	2,047
Additions		
Disposals/Write off	(2,047)	(2,047)
As at March 31, 2017	**-**	**-**
As at April 1, 2017	**-**	**-**
Additions		
Disposals/Write off	-	-
As at March 31, 2018	**-**	**-**
Depreciation/ Amortization		
As at April 1, 2016	-	-
Charge for the Year		
As at March 31, 2017	**-**	**-**
As at April 1, 2017	**-**	**-**
Charge for the Year		
As at March 31, 2018	-	-
Net Block		
As at March 31, 2017	**-**	**-**
As at March 31, 2018	**-**	**-**

4.1 TRADE RECEIVABLES

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Unsecured			
Considered good	100,000	750	17,576
Considered doubtful	-	-	-
Total	**100,000**	**750**	**17,576**

4.2 CASH AND CASH EQUIVALENTS

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Balances with banks	24,700	35,908	36,133
In Current accounts	-	-	-
Total	**24,700**	**35,908**	**36,133**

4.3 LOANS

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Other recoverables	255,366	522,996	555,127
Total	**255,451**	**522,996**	**555,127**

5 EQUITY SHARE CAPITAL

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Issued, Subscribed and paid-up			
$0.004 per value 15,754,000 shares each fully paid-up	62,545	62,545	62,545
(As at 31.03.2016 - $ 0.004 per value 15,754,000 shares each)			
Total	**62,545**	**62,545**	**62,545**

6 OTHER EQUITY

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Surplus in Statement of Profit and Loss			
Opening balance	(943,835)	(664,445)	(416,370)
Profit for the year	(285,131)	(279,389)	(248,075)
Closing balance	(1,228,966)	(943,834)	(664,445)
Total	**(1,228,966)**	**(943,834)**	**(664,445)**

7.1 BORROWINGS

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Loans and advances from related parties			
Inter-corporate borrowings from Holding Company (Unsecured)	1,302,112	1,282,112	**1,132,112**
Total	**1,302,112**	**1,282,112**	**1,132,112**

7.2 OTHER FINANCIAL LIABILITIES

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Interest accrued on Inter-corporate borrowings	104,930	59,990	17,760
Reimbursable expenses payable to related party	132,756	84,287	1,124
Total	**237,686**	**144,277**	**18,884**

8 OTHER CURRENT LIABILITIES

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Income received in advance (Unearned revenue)	-	-	11,250
Advances from customers	750	-	-
Total	**750**	**-**	**11,250**

9 PROVISIONS

USD

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Provision for employee benefits			
Compensated absences	-	3,072	8,337
Total	**-**	**3,072**	**8,337**

10.1 REVENUE FROM OPERATIONS

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from software services	104,050	11,250	227,752
Total	**104,050**	**11,250**	**227,752**

10.2 OTHER INCOME

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Provisions/liabilities no longer required written back	-	6,400	33,000
Miscellaneous income	-	10,323	8,652
Total	**-**	**16,723**	**41,652**

11 EMPLOYEE BENEFIT EXPENSES

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries, wages, bonus and allowances	53,415	190,706	231,770
Staff welfare expenses	-	24	2,842
Total	**53,415**	**190,730**	**234,612**

12 FINANCE COSTS

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest expense			
Borrowings	-	-	38,011
Others	44,940	42,230	20,340
Total	**44,940**	**42,230**	**58,351**

13 OTHER EXPENSES

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Rent	-	-	17,072
Rates and taxes	898	1,425	-
Communication cost	1,215	1,148	3,532
Facility maintenance	-	-	11,744
Sales commission	-	-	1,500
Professional and technical fees	33,468	28,268	17,108
Insourcing professional fees	-	35,200	135,333
Provision for doubtful trade receivables	-	-	14,400
Provisions/liabilities no longer required written back	250,000		
Fixed Asset written off	-	2,047	-
Miscellaneous expenses	5,245	7,786	23,827
Total	**290,826**	**75,874**	**224,516**

14 CONTINGENT LIABILITY

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

15 COMMITMENTS

	31.03.2018	31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

16 SEGMENT REPORTING

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

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

17 RELATED PARTY DISCLOSURE

i) Details of related parties :

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

ii) Transactions with related parties :

USD

	Holding Company	
	31.03.2018	31.03.2017
Interest on inter corporate deposits accrued		
Sonata Software North America Inc.	44,940	42,230
Reimbursement of expenses		
Sonata Software North America Inc.	47,827	83,624
Sonata Software Limited - Reimbursement of expenses	4,642	4,433
Inter corporate borrowings taken		
Sonata Software North America Inc.	20,000	150,000
Advances Receivable		
Sonata Software North America Inc.	100,000	-

	Holding Company	
	31.03.2018	31.03.2017
Balances outstanding at the end of the year		
Trade Receivable		
Sonata Software North America Inc.	100,000	-
Trade payables		
Sonata Software North America Inc.	128,114	84,287
Inter corporate borrowings		
Sonata Software North America Inc.	1,302,112	1,282,112
Interest accrued on borrowings		
Sonata Software North America Inc.	104,930	59,990

18 EARNINGS PER SHARE

Particulars	31.03.2018	31.03.2017
Profit attributable to equity shareholders ($)	(285,131)	(279,389)
Weighted average number of Equity Shares of $1/- each	15,754,000	15,754,000
Earnings Per Share - Basic and Diluted ($)	**(0.02)**	**(0.02)**

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

For and on behalf of the Board of Directors

Place : Mumbai
Date: 22th May 2018

Interactive Business Information Systems, Inc.

BALANCE SHEET as at March 31, 2018

USD

	Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	3	445,384	606,849	772,772
Intangible assets	4	163,622	494,866	298,192
Deferred tax asset	5	-	-	321,522
Total non-current assets		**609,006**	**1,101,715**	**1,392,485**
CURRENT ASSETS				
Financial assets	6			
Trade receivables	6.1	740,127	575,121	583,636
Cash and cash equivalents	6.2	1,329,570	396,084	93,842
Other financial assets	6.3	16,306	16,306	16,306
Other current assets	7	236,982	266,460	245,543
Total current assets		**2,322,985**	**1,253,971**	**939,327**
Total assets		**2,931,991**	**2,355,685**	**2,331,812**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	8	500,250	500,250	500,250
Other equity	9	(287,440)	(1,332,777)	(448,290)
Total Equity		**212,810**	**(832,527)**	**51,960**
LIABILITIES				
NON-CURRENT LIABILITIES				
Other long-term liabilities	10	337,113	421,886	502,474
Total non-current liabilities		**337,113**	**421,886**	**502,474**
CURRENT LIABILITIES				
Financial liabilities	11			
Borrowings	11.1	243,280	1,970,000	1,200,000
Trade payables		1,281,517	480,290	390,543
Other financial liabilities	11.2	575,516	133,889	9,599
Other current liabilities	12	226,299	95,358	106,560
Provisions	13	55,457	86,790	70,678
Total current liabilities		**2,382,070**	**2,766,327**	**1,777,380**
Total equity and liabilities		**2,931,992**	**2,355,686**	**2,331,813**

See accompanying notes forming part of financial statements

SONATA SOFTWARE

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2018

USD

	Note No	For the year ended 31.03.2018	For the year ended 31.03.2017
INCOME			
Revenue from operations	14	8,990,974	5,895,787
Total revenue		**8,990,974**	**5,895,787**
EXPENSES			
Purchases of stock-in-trade (traded goods)		723,641	141,543
Employee benefit expenses	15	3,450,436	3,588,206
Finance costs	16	55,404	53,580
Depreciation and amortization expense	3 (iii)	492,710	394,854
Other expenses	17	3,223,448	2,280,569
Total expenses		**7,945,639**	**6,458,752**
Profit after tax		**1,045,335**	**(562,965)**
Current tax expense		-	-
Deferred tax		-	321,522
Net tax expense		**-**	**321,522**
Profit after tax		**1,045,335**	**(884,487)**
Earnings per share - Basic and Diluted (on $ 1 per share)	23	**2.09**	**(1.77)**

See accompanying notes forming part of financial statements

CASH FLOW STATEMENT for the year ended March 31, 2018

USD

			For the year ended 31.03.2018	For the year ended 31.03.2017
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net profit/(loss) before tax		**1,045,335**	**(562,965)**
	Adjustments for :			
	Depreciation and amortization expense		492,710	394,854
	Interest paid on Intercorporate borrowings		55,404	53,580
	Operating Profit before working capital changes		**1,593,449**	**(114,531)**
	Adjustments for :			
	Decrease/(increase) in trade receivables		(165,005)	8,518
	Decrease/(increase) in short-term loans and advances		29,478	(20,917)
	(Decrease)/increase in trade payables		801,227	89,747
	(Decrease)/increase in other long term liabilities		(84,773)	(80,588)
	(Decrease)/increase in other current liabilities		572,568	113,088
	(Decrease)/increase in short-term provisions		(31,333)	16,112
	Cash generated from operations		**2,715,609**	**11,430**
	Net cash from operating activities		**2,715,609**	**11,430**
	Net cash from operating activities after exceptional items	**(A)**	**2,715,609**	**11,430**
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of fixed assets, including intangible assets, CWIP and capital advances		-	(425,608)
	Net cash flow from financing activities	**(B)**	**-**	**(425,608)**
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Interest paid on Inter corporate borrowings		(55,404)	(53,580)
	Inter-corporate borrowings from Holding Company		(1,726,720)	770,000
	Net cash from financing activities	**(C)**	**(1,782,124)**	**716,420**
	Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	933,486	302,242
	Opening cash and cash equivalents		396,084	93,842
	Closing cash and cash equivalents		**1,329,570**	**396,084**
	Cash and cash equivalents at the end of the year Comprises :			
	Cash on hand		1,000	1,000
	Cheques, drafts on hand		-	-
	Balances with banks			
	In Current accounts		1,328,570	395,084
	In Deposit accounts		-	-
			1,329,570	**396,084**

See accompanying notes forming part of financial statements

NOTES forming part of financial statements

1 CORPORATE INFORMATION

Interactive Business Information Systems, Inc. ("IBIS" 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. The Company is a public limited company incorporated in US with its registered office at Georgia,USA. Sonata Software Limited through its wholly owned subsidiary, Sonata Software North America Inc. has acquired 100% of Interactive Business Information Systems, Inc on 17th November, 2015 The financial statements were authorised for issuance by the Company's Board of Directors on 22nd May 2018. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules, 2016 as applicable. Upto the year ended March 31, 2017, the Company prepared and presented its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 (Indian GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'. The date of transition to Ind AS is April 1, 2016.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis.

c. Use of judgement, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make 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. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

The areas involving critical estimates or judgements are:

i. **Depreciation and amortisation:** Depreciation and amortisation is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. **Employee Benefits :** The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations.

iii. **Provision and contingencies :** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the Balance Sheet date.

iv. **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.

2.2 Functional and presentation currency : The functional and presentation currency of the Company is USD.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

On Transition : For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Subsequent to Transition: Recognition & Measurement: Property, Plant and Equipment are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Subsequent expenditure, if any, on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance."

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.

b. 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.

c. Financial Instruments

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

i. **Financial assets at amortised cost -** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less impairment loss if any. Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

Financial liabilities

Initial recognition and measurement - Financial liabilities are measured at amortised cost using effective interest 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.

d. Employee Benefits

Employee benefits include washington taxes, 401K payable, Newyork disability payable and Gross receipt tax.

Short-term employee benefits -need to be updated

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. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

e. Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cashflows at pre-tax rate that reflects the current market assessments of the time value of the money and the risks specific to the liability. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

f. 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.

a) **Current income tax -** Current income tax 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 period. 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 period. 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.

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.

g. Leases

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 under operating leases are recognised as an expense 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.

g. 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.

h. Revenue Recognition

The Company derives revenue primarily from Information Technology Services and Solutions. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. 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 when services are rendered and related costs are incurred.

b) Fixed-price contracts

Revenues from fixed price contracts are recognised over the life of the contract using percentage of completion method, with contract costs determining the stage of completion at the end of the reporting period. Foreseeable losses on such contracts are recognised when probable.

c) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised on transfer of significant risks and rewards of ownership to the buyers, which generally coincides with delivery where there is no customization required. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) 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.

Revenues are reported net of applicable discounts and allowances.

i. Borrowing Costs:

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

j. Finance Income and expense

Finance income consists of interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method. 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."

k. Share based payments

Employees of the Company receive remuneration in the form of cash settled share based transaction, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The equity instruments are granted by the Employee Welfare Trust. The expense is recognized in the Statement of Profit and Loss with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The fair value of the amount payable to the employees in respect of Stock Appreciation Rights (SAR), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR plan. Any changes in the liability are recognized in Statement of Profit and Loss.

l. 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. 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 Statment 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 profit or 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 profit or loss. 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")."

m. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

n. Contingent Liabilities

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated.

o. Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

p. 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.

q. Research & development expenses

Research expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

r. First-time adoption – mandatory exceptions, optional exemptions

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with relevant rules issued thereunder in terms of the SEBI LODR, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). The adoption of Ind AS was carried out in accordance with Ind AS 101, considering April 01, 2016 as the transition date. Pursuant to adoption of Ind AS, the differences in the carrying amounts of assets and liabilities on the transition date under the previous GAAP and the balances on adoption of Ind AS have been recognised directly in equity. The financial statements for the year ended March 31, 2018, March 31, 2017 and as at 01 April 2016 have been presented under Ind AS for comparative purposes. Accounting policies have been applied consistently to all periods presented in these Financial Results.

In preparing the opening Ind AS statement of financial position, adjustments are carried out to the amounts reported in financial statements prepared in accordance with previous GAAP.

s. New standards and interpretations not yet adopted

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

USD

Particulars	Tangible Assets				
	Office Equipments	Leasehold Improvements	Furniture and Fixtures	Plant and Equipments	Total Tangible Assets
Deemed cost					
As at April 1, 2016	40,912	565,911	75,430	90,520	772,772
Additions	-	-	-	24,367	24,367
Disposals/Write off	-	-	-	-	-
As at March 31, 2017	**40,912**	**565,911**	**75,430**	**114,887**	**797,139**
As at April 1, 2017	40,912	565,911	75,430	114,887	797,139
Additions	-	-	-	-	-
Disposals/Write off	-	-	-	-	-
As at March 31, 2018	**40,912**	**565,911**	**75,430**	**114,887**	**797,139**
Depreciation/ Amortization					
As at April 1, 2016	-	-	-	-	-
Charge for the Year	22,849	90,155	24,722	52,563	190,290
As at March 31, 2017	**22,849**	**90,155**	**24,722**	**52,563**	**190,290**
As at April 1, 2017	**22,849**	**90,155**	**24,722**	**52,563**	**190,290**
Charge for the Year	12,674	88,660	19,275	40,856	161,465
As at March 31, 2018	**35,523**	**178,815**	**43,997**	**93,419**	**351,755**
Net Block					
As at April 1, 2016	**40,912**	**565,911**	**75,430**	**90,520**	**772,772**
As at March 31, 2017	**18,062**	**475,755**	**50,707**	**62,324**	**606,849**
As at March 31, 2018	**5,388**	**387,096**	**31,432**	**21,467**	**445,384**

4. INTANGIBLE ASSETS

USD

Particulars	Owned Computer Software	Software Licence	Total Tangible Assets
Deemed cost			
As at April 1, 2016	3,789	294,402	298,192
Additions	1,300	399,940	401,240
Disposals/Write off	-	-	-
As at March 31, 2017	**5,089**	**694,343**	**699,432**
As at April 1, 2017	5,089	694,343	699,432
Additions	-	-	-
Disposals/Write off	-	-	-
As at March 31, 2018	**5,089**	**694,343**	**699,432**
Depreciation/ Amortization			
As at April 1, 2016	-	-	-
Charge for the Year	3,672	200,893	204,565
Disposals/Write off	-	-	-
As at March 31, 2017	**3,672**	**200,893**	**204,565**
As at April 1, 2017	3,672	200,893	204,565
Charge for the Year	568	330,676	331,244
Disposals/Write off	-	-	-
As at March 31, 2018	**4,241**	**531,569**	**535,809**
Net Block			
As at April 1, 2016	**3,789**	**294,403**	**298,192**
As at March 31, 2017	**1,418**	**493,449**	**494,866**
As at March 31, 2018	**849**	**162,774**	**163,622**

5. DEFERRED TAX ASSET

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Tax effects on			
Others	-	-	321,522
Total	**-**	**-**	**321,522**

6.1. TRADE RECEIVABLES

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Unsecured			
Considered good	740,127	575,121	583,636
Considered doubtful	27,793	4,393	4,393
	767,920	579,514	588,029
Less : Provision for doubtful trade receivables	27,793	4,393	4,393
Total	**740,127**	**575,121**	**583,636**

6.2. CASH AND CASH EQUIVALENTS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Cash on hand	1,000	1,000	1,000
Balances with banks			
In Current accounts	1,328,570	395,084	92,842
Total	**1,329,570**	**396,084**	**93,842**

6.3. OTHER FINANCIAL ASSETS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Security deposits	16,306	16,306	16,306
Total	**16,306**	**16,306**	**16,306**

7. OTHER CURRENT ASSETS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Prepaid expenses	97,534	111,629	149,017
Other recoverables	139,448	154,831	96,526
Total	**236,982**	**266,460**	**245,543**

8. EQUITY SHARE CAPITAL

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Authorized			
Common Stock of 500,250 shares, of $1 each			
(As at 31.03.2016, 500,250 shares of $1 each)	500,250	500,250	500,250
Issued, Subscribed and paid-up			
500,250 shares of $1 each fully paid-up			
(As at 31.03.2016, 500,250 shares of $1 each fully paid up)	500,250	500,250	500,250
Total	**500,250**	**500,250**	**500,250**

9. OTHER EQUITY

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Surplus in Statement of Profit and Loss			
Opening balance	(1,332,775)	(448,290)	(643,289)
Profit for the year	1,045,335	(884,487)	194,999
Closing balance	(287,440)	(1,332,777)	(448,290)
Total	**(287,440)**	**(1,332,777)**	**(448,290)**

10. OTHER LONG-TERM LIABILITIES

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Rent equalization	337,113	421,886	502,474
Total	**337,113**	**421,886**	**502,474**

11.1 BORROWINGS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Loans and advances from related parties	17,118	6,586	-
Inter-corporate borrowings from holding Company - Unsecured (Refer Note 21)	243,280	1,970,000	1,200,000
Total	**243,280**	**1,970,000**	**1,200,000**

11.2 OTHER FINANCIAL LIABILITIES

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Interest accrued on Inter-corporate borrowings (Refer Note 21)	575,516	133,889	9,599
Total	**575,516**	**133,889**	**9,599**

12. OTHER FINANCIAL LIABILITIES

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Provision for rent equalization	80,588	80,588	80,588
Reimbursable expenses to related party (Refer Note 21)	117,001	-	-
Statutory remittances	28,710	14,770	25,972
Total	**226,299**	**95,358**	**106,560**

13. PROVISIONS

USD

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
Provision for employee benefits			
Provision for compensated absences	55,457	86,790	70,678
Total	**55,457**	**86,790**	**70,678**

14. REVENUE FROM OPERATIONS

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from software services	8,990,974	5,895,787
Total	**8,990,974**	**5,895,787**

15. EMPLOYEE BENEFIT EXPENSES

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries, wages, bonus and allowances	3,398,043	3,578,429
Contribution to 401K fund	52,393	9,777
Total	**3,450,436**	**3,588,206**

16. FINANCE COSTS

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest Expense - Others	55,404	53,580
Total	**55,404**	**53,580**

17. OTHER EXPENSES

USD

	For the year ended 31.03.2018	For the year ended 31.03.2017
Power and fuel	48,928	51,419
Rent (Refer Note 22)	193,233	196,001
Insurance	205,357	293,470
Rates and taxes	42,355	19,437
Communication cost	63,366	70,693
Facility maintenance	28,195	41,286
Travelling and conveyance expenses	186,710	238,053
Professional and technical fees	845,942	881,585
Legal fees	4,820	2,580
Insourcing professional fees	1,273,792	126,630
Bad debts (written back)	153,199	-
Miscellaneous expenses	177,551	359,415
Total	**3,223,448**	**2,280,569**

18. CONTINGENT LIABILITY

There is no contingent liabilities as at the year end.

19. COMMITMENTS

	31.03.2018	31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

20. SEGMENT REPORTING

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

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

There is no contingent liabilities as at the year end.

21. RELATED PARTY DISCLOSURE

i) Details of related parties :

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

ii) Transactions with related parties :

USD

Particulars	Holding Company	
	31.03.2018	31.03.2017
Rendering of services		
Sonata Software North America Inc.	258,304	245,278
Sonata Software Limited	51,428	94,136
Software project fees		
Sonata Software Limited	997,936	-
Reimbursement of expenses paid(AP)		
Sonata Software Limited	15,472	-
Inter corporate borrowings		
Sonata Software North America Inc.	-	1,970,000
Interporate borrowings repaid		
Sonata Software North America Inc.	1,782,313	-
Interest on inter corporate deposits		
Sonata Software North America Inc.	55,403	53,582
Reimbursement of expenses		
Sonata Software North America Inc.	39,728	258,504

Particulars	Holding Company	
	31.03.2018	31.03.2017
Balances outstanding at the end of the year		
Trade payables/ Other Current liabilities		
Sonata Software North America Inc.	-	133,889
Sonata Software Limited	560,044	-
Interest accrued on borrowings		
Sonata Software North America Inc.	117,002	63,180
Advances receivables		
Sonata Software North America Inc.	157,630	13,938
Sonata Software Limited	15,472	-
Inter corporate borrowings		
Sonata Software North America Inc.	187,687	1,970,000

22. 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

Particulars	31.03.2018	31.03.2017
ii. The total of future minimum lease payments for non-cancellable operating leases are as below :		
Not later than one year	217,843	213,571
Later than one year and not later than 5 years	757,970	975,813
iii. The lease payments recognised in the statement of Profit and Loss are as under :		
Included in rent	193,233	196,001
Less : Sub- Lease payment received	-	-
	193,233	196,001
iv. There are no rents which are contingent in nature.		

23. EARNINGS PER SHARE

USD

Particulars	31.03.2018	31.03.2017
Profit attributable to equity shareholders ($)	1,045,335	-884,487
Weighted average number of Equity Shares of $1- each	500,250	500,250
Earnings Per Share - Basic and Diluted ($)	2.09	-1.77

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

Sonata Software GmbH Frankfurt am Main

CERTIFICATION OF INDEPENDENT AUDITORS

We have reviewed the accompanying balance sheet of Sonata Software GmbH as of March 31, 2018 and the related profit and loss account for the period April 1, 2017 to March 31, 2018. These annual financial statements are in the responsibility of the management of Sonata Software GmbH. Our responsibility is to express an opinion on these annual 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 annual financial statements are free of material misstatement.

In our opinion, the annual financial statements referred to above present fairly, in all material respects, the financial situation of Sonata Software GmbH as of March 31, 2018 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, 16 April 2018

BALANCE SHEET as at March 31, 2018

		Financial year	Prior year
	EUR	EUR	EUR
ASSETS			
A. Current assets			
I. Deb tors and other assets Financial year Prior year			
1. Trade debtors	99.125,22		99.372,18
2. Other	23.438 15		23.670,93
		122.563,37	123.043,11
II. Cheques, cash on hand, federal bank and postal giro accounts, cash at banks		274.277,73	192.799,61
B. Prepayments and deferred charges		582,83	560,51
Carry forward		397.423,93	316.403,23
LIABILITIES AND EQUITY			
A. Equity			
I. Subscribed capital		25.000,00	25.000,00
II. Capital reserve		25.000,00	25.000,00
III. Unappropriated profit brought forward		231.583,05	183.709,42
IV. Profit for the year		64.093,36	47.873,63
B. Accruals			
1. Other accruals		23.799,00	15.300,00
C. Creditors			
1. Trade creditors - thereof with a remaining term of up to one year EUR 11.110,34 (EUR 325,23)	11.110,34		325,23
2. Amounts due to investee companies - thereof with a remaining term of up to one year EUR 0,00 (EUR 3.000,00)	0,00		3.000,00
3. Other creditors - thereof for taxes EUR 16.838,18 (EUR 16.194,95)	16.838,18		
		27.948,52	16.194 95
			19.520,18
Carry forward		397.423,93	316.403,23
- thereof with a remaining term of up to one year EUR 10.734,45 (EUR 16.194,95)		397.423,93	316.403,23

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2018

			Financial year	Prior year
REVENUE		EUR	EUR	EUR
1.	Sales revenues		564.138,13	363.337,65
2.	Total output		564.138,13	363.337,65
3.	Other operating income			
	a) Income from reversal of accruals	0,00		890,00
	b) Other extraordinary income in connection with ordinary business activities	0.10	0,10	29,96
				919,96
4.	**Staff costs**			
a)	Wages and salaries	349.266,05		185.220,14
b)	Social security costs and pension and welfare expense		72.770,78	37.707,40
			422.036,83	222.927,54
5.	Other operating expense			
	a) Ordinary operating loss			
	aa) Cost of premises	3.300,00		3.300,00
	ab) Insurance premiums, contributions and dues	754,79		928,93
	ac) Travel and advertising costs	5.691,41		3.027,46
	ad) Various operating costs	38.118,66		41.881,19
	ae) Prior period expenses If not extraordinary	167,68		0,00
			48.032,54	49.137,58
6.	**Profit (loss) from ordinary activities**		94.068,86	92.192,49
7.	**Taxes on profit**		29.975,50	44.318,86
8.	**Profit for the year**		**64.093,36**	**47.873,63**

ACCOUNTS MAKING UP BALANCE SHEET AS AT 31.03.18

ASSETS

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Trade debtors			
Trade receivables		99.125,22	99.372,18
Other assets			
Receivables from AOK	0,00		1.787,71
Security deposits	1.060,00		1.060,00
Overpayments of taxes	7.337,00		6.469,00
Reclaimed corporate income tax	14.491,66		13.664,56
Trade payables	149,49		149,59
Payroll liabilities	400,00		0,00
Social security liabilities	0,00		540,07
		23.438,15	23.670,93
Cheques, cash on hand, federal bank and postal giro accounts, cash at banks			
HypoVereinsbank # 364 624 700	274.277,73		192.631,93
State Bank of India # 10 74 32 01	0,00		167,68
		274.277,73	192.799,61
Prepayments and deferred charges			
Prepaid expenses		582,83	560,51
Total		397.423,93	316.403,23

ACCOUNTS MAKING UP BALANCE SHEET AS AT 31.03.18

LIABILITIES AND EQUITY

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Subscribed capital			
Subscribed capital		25.000,00	25.000,00
Capital reserve			
Capital reserves		25.000,00	25.000,00
Unappropriated profit brought forward			
Retained prfts before apprprtn net prft		231.583,05	183.709,42
Profit for the year			
Profit for the year		64.093,36	47.873,63
Other accruals	400,00		0,00
Other provisions	1.500,00		1.300,00
Holiday Provision	20.299,00		12.000,00
Provsns period-end closing / audit costs	2.000,00		2.000 00
		23.799,00	15.300,00
Trade creditors			

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Trade payables		11.110,34	325,23
thereof with a remaining term of up to one year			
EUR 11.110,34 (EUR 325,23)		582,83	560,51
Trade payables		397.423,93	316.403,23
Amounts due to investee companies			
Liablts to othr lg-tm invstees / invstrs		0,00	3.000,00
thereof with a remaining term of up to one year EUR 0,00			
(EUR 3.000,00)			
Liablts to othr lg-tm invstees / invstrs			
Other creditors			
Wage and church tax payables		7.206,39	3.598,91
Deductible input tax, 19%	7.790,97-		8.432,69-
VAT, 19%	96.590,00		69.034,20
VAT prepayments	88.799,03-		43.559,91-
VAT prepayments 1111	8.442,00-		4.711,00-
VAT, current year	17.808,35		0,00
VAT, earlier years	265.44		265,44
		9.631,79	12.596,04
Carry forward			
		397.423,93	316.403,23
thereof for taxes EUR 16.838,18 (EUR 16.194,95)		397.423,93	316.403,23
Wage and church tax payables			
Deductible input tax, 19%			
VAT, 19%			
VAT prepayments			
VAT prepayments 1/11			
VAT, current year			
VAT, earlier years			
thereof with a remaining term of up to one year EUR 16.838,18 (EUR 16.194,95)			
Wage and church tax payables			
Deductible input tax, 19%			
VAT, 19%			
VAT prepayments			
VAT prepayments 1/11			
VAT, current year			
VAT, earlier years			
Total		397.423,93	316.403,23

ACCOUNTS MAKING UP PROFIT AND LOSS ACCOUNT FROM 01.04.17 TO 31.03.18

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Sales revenues			
Rev oth svcs txbl in oth EU rcpt tx liab	55.770,00		0,00
Revenue, 19% VAT	508.368,13		363.337,65
		564.138,13	363.337,65
Income from reversal of accruals			
Income from reversal of provisions		0,00	890,00
Other extraordinary income in connection with ordinary business activities			
Other operating income	0,10		1,36
Prior-period incm (if not extraordinary)	0.00		28,60
		0,10	29,96
Wages and salaries			
Salaries	340.967,05-		185.220,14-
Expenses for holiday	8.299,00-		0,00
		349.266,05-	185. 220,14-
Social security costs and pension and welfare expense			
Statutory social security expenses	72.464,64-		37.368,70-
Contrib. to occup. health/safety agency	306 14-		338,70-
		72.770,78-	37.707,40-
Cost of premises			
Rent (immovable property)		3.300,00-	3.300,00-
Insurance premiums, contributions and dues			
Insurance premiums	318,23-		339,09-
Contributions	436,56-		390,84-
N-tx dedctbl filing penalties/adm. fines	0 00		199,00-
		754,79-	928,93-
Travel and advertising costs			
Advertising costs	0,00		2.713,05-
Employee travel expenses	5.691,41-		314,41-
		5.691,41-	3.027,46-
Various operating costs			
Other operating expenses	0,69-		4,22-
Postage	57,08-		56,48-
Telephone	8,50-		1,50-
Fax and Internet costs	0,00		0,38-
Legal and consulting costs	17.609,38-		18.746,73-
Period-end closing and audit costs	2.030,00-		2.000,00-
Bookkeeping costs	7.900,00-		7.740,00-
Payroll accounting costs	10.300,00-		8.785,00-
			37.334,31-
Carry forward	37.905,65-	132.355,20	96.739,37
Various operating costs			
Exp for temp rights trans (lic, conc)	0,00		4.344,00-

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Incidental monetary transaction costs	213,01-		202 88-
		38.118,66-	41.881,19-
Prior-period expns if not extraordinary			
Prior-period expns if not extraordinary		167,68-	0,00
Taxes on profit			
Corporate income tax	14.100,00-		13.815,00-
Solidarity surcharge	775,50-		760,66-
Trade tax	15.100,00-		14.800,00-
Backpayments of trade tax prior years	0,00		14.943,20-
		29.975,50-	44.318,86-
Profit for the year			
Profit for the year		64.093,36	47.873,63

CURRENT ACCOUNT FOR THE BALANCE SHEET AS AT 31.03.2018

LIST OF DEBTORS Debtors with debit balances

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Sonata Europe Limited	10.000,00		0,00
TUI InfoTec GmbH	89.125,22	99.125,22	99.372,18
		99.125,22	99.372,18

LIST OF CREDITORS Creditors with credit balances

Account Description		Financial year	Prior year
	EUR	EUR	EUR
IHK Frankfurt	458,88		0,00
KPMG AG	5.310,28		0,00
RLT Ruhrmann Tieben & Partner mbB	5.334,18		0,00
One Underwriting Agency GmbH	0,00		318,23
VerwaltungssBerufsgenossenschaft	7,00		7,00
		11.110,34	325,23
		11.110,34	325,23

LIST OF CREDITORS CREDITORS WITH DEBIT BALANCES

Account Description		Financial year	Prior year
	EUR	EUR	EUR
KPMG AG		0,00	0,10
Mohammed, Faiaz		149,49	149,49
		149,49	149,59