

Sonata Australia Pty Ltd.  
Balance Sheet as at March 31, 2023

		As At	AUD
	Note No.	March 31, 2023	As At March 31, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	42,447	18,855
<b>Total non-current assets</b>		<b>42,447</b>	<b>18,855</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	4	6,694,509	4,429,067
Cash and cash equivalents	5	2,690,923	1,211,756
Other financial assets	6	555,334	23,600
Other current assets	7	554,465	74,499
<b>Total current assets</b>		<b>10,495,231</b>	<b>5,738,922</b>
<b>TOTAL</b>		<b>10,537,678</b>	<b>5,757,777</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	8	2	2
Other equity	9	4,588,475	2,904,585
<b>Total Equity</b>		<b>4,588,477</b>	<b>2,904,587</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	10	3,621,297	1,390,150
Other financial liabilities	11	717,300	757,049
Other current liabilities	12	-	3,013
Provisions	13	345,939	297,345
Current tax liabilities	14	1,264,665	405,633
<b>Total current liabilities</b>		<b>5,949,201</b>	<b>2,853,190</b>
<b>TOTAL</b>		<b>10,537,678</b>	<b>5,757,777</b>

## Sonata Australia Pty Ltd.

## Statement of Profit and Loss for quarter and year ended 31st March, 2023.

						AUD
		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
<b>REVENUE</b>						
Revenue from operations	15.1	5,111,650	3,784,041	3,584,558	15,846,396	13,497,763
Other income	15.2	17,167	18,324	42,236	60,096	192,795
<b>Total revenue</b>		<b>5,128,817</b>	<b>3,802,365</b>	<b>3,626,794</b>	<b>15,906,492</b>	<b>13,690,558</b>
<b>EXPENSES</b>						
Purchase of stock-in-trade (traded goods)		346,653	488,770	139,772	1,944,128	1,294,883
Employee benefit expenses	16	1,601,629	1,648,771	1,421,934	6,273,523	5,451,198
Depreciation and amortization expense	3	6,135	6,252	4,038	23,198	13,113
Other expenses	17	1,083,065	1,205,866	1,122,447	4,040,997	3,668,325
<b>Total expenses</b>		<b>3,037,481</b>	<b>3,349,660</b>	<b>2,688,190</b>	<b>12,281,846</b>	<b>10,427,519</b>
<b>Profit before tax</b>		<b>2,091,336</b>	<b>452,705</b>	<b>938,604</b>	<b>3,624,646</b>	<b>3,263,039</b>
Current tax expense		1,089,580	-	281,581	1,440,757	978,912
<b>Profit after tax</b>		<b>1,001,756</b>	<b>452,705</b>	<b>657,023</b>	<b>2,183,889</b>	<b>2,284,127</b>

Sonata Australia Pty Ltd.  
Cash Flow Statement for the year ended 31st March, 2023

		AUD	
		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net profit before tax</b>		<b>3,624,646</b>	<b>3,263,039</b>
Adjustments for :			
Depreciation and amortization expense		23,198	13,113
Interest income		(5,698)	(513)
(Profit)/loss on sale of fixed assets / assets scrapped		(194)	
Unrealized foreign exchange (gain) / loss		(140,972)	(2,568)
<b>Operating Profit before working capital changes</b>		<b>3,500,980</b>	<b>3,273,071</b>
Adjustments for :			
Decrease/(increase) in trade receivables		(2,124,470)	(2,320,248)
Decrease/(increase) in other current assets		(479,966)	(19,362)
Decrease/(increase) in other financial assets		(531,734)	28,243
(Decrease)/increase in trade payables		2,231,148	(178,403)
(Decrease)/increase in other current liabilities		(3,013)	3,013
(Decrease)/increase in other financial liabilities		(39,749)	521,234
(Decrease)/increase in short-term provisions		907,626	126,532
<b>Cash generated from operations</b>		<b>3,460,822</b>	<b>1,434,081</b>
Direct taxes/advance tax paid (net)		(1,440,757)	(978,912)
<b>Net cash from operating activities</b>	<b>A</b>	<b>2,020,065</b>	<b>455,169</b>
<b>Net cash from operating activities after exceptional items</b>		<b>2,020,065</b>	<b>455,169</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets, including intangible assets, CWIP and		(46,596)	(14,771)
Interest received		5,698	513
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(40,898)</b>	<b>(14,258)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(500,000)	-
<b>Net cash from financing activities</b>	<b>C</b>	<b>(500,000)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	<b>(A+B+C)</b>	1,479,167	440,911
Opening cash and cash equivalents		1,211,756	770,845
<b>Closing cash and cash equivalents</b>		<b>2,690,923</b>	<b>1,211,756</b>
Cash and cash equivalents at the half year ended Comprises :			
Cash on hand		625	625
Balances with banks			
In Current accounts		2,656,329	1,176,682
In Deposit accounts		33,969	34,449
<b>Total</b>		<b>2,690,923</b>	<b>1,211,756</b>

Sonata Australia Pty Ltd.

Notes forming part of the financial statements

**3 : Property, Plant and Equipment**

AUD

Particulars	Tangible Assets			Total Tangible Assets
	Office Equipments	Furniture and Fixtures	Plant and Equipments	
<b>Deemed cost</b>				
As at April 1, 2021	123,051	214,003	233,717	<b>570,771</b>
Additions	-	-	14,771	14,771
Disposals/Write off	-	-	-	-
<b>As at March 31, 2022</b>	<b>123,051</b>	<b>214,003</b>	<b>248,488</b>	<b>585,542</b>
As at April 1, 2022	123,051	214,003	248,488	<b>585,542</b>
Additions	-	-	46,596	46,596
Disposals/Write off	(103,816)	(177,814)	(187,429)	<b>(469,059)</b>
<b>As at Mar 31, 2023</b>	<b>19,235</b>	<b>36,189</b>	<b>107,655</b>	<b>163,079</b>
<b>Depreciation/ Amortization</b>				
As at April 1, 2021	123,037	210,146	220,391	553,574
Charge for the Year	-	183	12,930	13,113
<b>As at March 31, 2022</b>	<b>123,037</b>	<b>210,329</b>	<b>233,321</b>	<b>566,687</b>
As at April 1, 2022	<b>123,037</b>	<b>210,329</b>	<b>233,321</b>	<b>566,687</b>
Charge for the Year	-	898	22,300	23,198
Disposals/Write off	(103,802)	(175,038)	(190,414)	(469,253)
As at Mar 31, 2023	19,235	36,189	65,207	<b>120,632</b>
<b>Net Block:</b>				
As at April 1, 2021	<b>14</b>	<b>3,858</b>	<b>13,325</b>	<b>17,197</b>
As at March 31, 2022	<b>14</b>	<b>3,675</b>	<b>15,166</b>	<b>18,855</b>
As at March 31, 2023	<b>(0)</b>	<b>(0)</b>	<b>42,447</b>	<b>42,447</b>

Sonata Australia Pty Ltd.  
Notes forming part of financial statements

	AUD	
	As At	As At
	March 31, 2023	March 31, 2022
<b>4 : Trade receivables</b>		
Unsecured		
Considered good	6,694,509	4,429,067
Considered doubtful	(8,643)	70,722
	6,685,866	4,499,789
Less : Provision for doubtful trade receivables	(8,643)	70,722
<b>Total</b>	<b>6,694,509</b>	<b>4,429,067</b>
<b>5 : Cash and cash equivalents</b>		
Cash on hand	625	625
In Current accounts	2,656,329	1,176,682
In Deposit accounts	33,969	34,449
<b>Total</b>	<b>2,690,923</b>	<b>1,211,756</b>
<b>6 : Other financial assets</b>		
Security deposits	25,579	23,600
Accrued Income	529,754	-
<b>Total</b>	<b>555,334</b>	<b>23,600</b>
<b>7 : Other current assets</b>		
Unsecured, considered good		
Loans and advances to related parties - Advances recoverable	432,701	-
Loans and advances to employees	3,290	-
Prepaid expenses	50,860	74,498
Other recoverables	67,614	-
<b>Total</b>	<b>554,465</b>	<b>74,499</b>
<b>9 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	2,904,586	620,458
Profit/(loss) for the year	2,183,889	2,284,127
Dividend Paid	(500,000)	-
<b>Total</b>	<b>4,588,475</b>	<b>2,904,585</b>
<b>10 : Trade payables</b>		
Trade payables - other than acceptances	3,621,297	1,390,149
<b>Total</b>	<b>3,621,297</b>	<b>1,390,149</b>
<b>11 : Other financial liabilities</b>		
Income received in advance (Unearned revenue)	65,438	99,087
Statutory remittances	569,836	657,962
Advances from customers	80,476	-
Amount payable to related party	1,550	-
<b>Total</b>	<b>717,300</b>	<b>757,049</b>
<b>12 : Other current liabilities</b>		
Others	-	3,013
<b>Total</b>	<b>-</b>	<b>3,013</b>
<b>13 : Provisions</b>		
Provision for compensated absences	345,939	297,345
<b>Total</b>	<b>345,939</b>	<b>297,345</b>
<b>14 : Current tax liabilities</b>		
Provision for tax	1,264,665	405,633
<b>Total</b>	<b>1,264,665</b>	<b>405,633</b>

**Sonata Australia Pty Ltd.**  
**Notes forming part of financial statements**

	AUD				
	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
<b>15.1 : Revenue from operations</b>					
Revenue from software services	4,735,477	3,149,858	3,032,300	13,112,975	10,095,357
Revenue from hardware/software product and licenses	368,121	634,183	552,258	2,725,370	3,402,406
Other operating revenues	8,052	-	-	8,052	-
<b>Total</b>	<b>5,111,650</b>	<b>3,784,041</b>	<b>3,584,558</b>	<b>15,846,396</b>	<b>13,497,763</b>
<b>15.2 : Other income</b>					
Interest income	3,196	1,201	130	5,698	513
Provision no longer required written back	132	-	-	132	-
Miscellaneous income	13,839	17,123	42,106	54,266	192,282
<b>Total</b>	<b>17,167</b>	<b>18,324</b>	<b>42,236</b>	<b>60,096</b>	<b>192,795</b>
<b>16 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	1,438,974	1,490,524	1,287,611	5,626,749	4,917,400
Contributions to provident and other funds	158,569	155,921	131,752	632,281	521,563
Staff welfare expenses	4,085	2,326	2,571	14,492	12,235
<b>Total</b>	<b>1,601,629</b>	<b>1,648,771</b>	<b>1,421,934</b>	<b>6,273,523</b>	<b>5,451,198</b>
<b>17 : Other expenses</b>					
Power and fuel	-	-	-	-	-
Rent	45,180	61,317	48,232	210,596	203,904
Repairs and maintenance - Machinery	224	766	2,443	3,626	13,637
Insurance	7,137	7,653	6,412	29,778	25,091
Rates and taxes	4,643	-	-	4,742	220
Communication cost	9,646	10,244	10,057	40,216	39,437
Facility maintenance	14,751	15,699	11,552	59,065	46,569
Travelling and conveyance expenses	61,436	17,506	9,249	92,878	16,339
Sales commission	-	-	7,929	2,214	36,605
Software Project fees	553,531	406,920	583,274	1,954,200	2,267,010
Professional and technical fees	25,756	3,850	25,097	30,176	40,737
Legal fees	-	-	1,800	-	1,800
Insourcing professional fees	447,120	470,736	234,093	1,478,804	513,399
Net loss on foreign currency transaction and translation	(43,124)	130,756	7,659	(140,972)	(2,568)
Provision for doubtful trade receivables	(86,187)	23,639	70,722	(82,142)	70,722
Miscellaneous expenses	42,952	56,781	103,929	357,817	395,422
<b>Total</b>	<b>1,083,065</b>	<b>1,205,866</b>	<b>1,122,447</b>	<b>4,040,997</b>	<b>3,668,325</b>

## SONATA SOFTWARE NORTH AMERICA INC.

Balance Sheet as at March 31, 2023

		USD	
	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	405,356	133,076
Goodwill		11,963,410	4,276,302
		<b>12,368,767</b>	<b>4,409,378</b>
Financial assets			
Investments	4.1	182,190,253	32,259,212
Other financial assets	4.2	51,974	44,630
Deferred tax assets (net)	5	1,363,168	1,651,064
<b>Total non-current assets</b>		<b>183,605,395</b>	<b>33,954,906</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	6	13,364,132	11,384,252
Cash and cash equivalents	6.1	9,115,517	3,675,871
Loans	6.2	775,054	1,540,000
Other financial assets	6.3	8,592,890	3,553,047
Other current assets	7	667,480	150,278
<b>Total current assets</b>		<b>32,515,073</b>	<b>20,303,448</b>
<b>Total assets</b>		<b>228,489,234</b>	<b>58,667,732</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	8	300,000	300,000
Other equity	9	34,791,091	23,975,651
<b>Total Equity</b>		<b>35,091,091</b>	<b>24,275,651</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	10	37,125,000	-
Other non-current liabilities	11	45,938,134	6,680,074
<b>Total non-current liabilities</b>		<b>83,063,134</b>	<b>6,680,074</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	12	19,263,290	1,388,290
Financial liabilities			
Trade payables		32,041,345	16,882,766
Other Financial liabilities	13	-	3,000,000
Other current liabilities	14	56,610,621	4,337,014
Provisions	15	729,774	596,764
Current tax liabilities	16	1,689,980	1,507,173
<b>Total current liabilities</b>		<b>110,335,010</b>	<b>27,712,007</b>
<b>Total equity and liabilities</b>		<b>228,489,234</b>	<b>58,667,732</b>

## SONATA SOFTWARE NORTH AMERICA INC.

## Statement of Profit and Loss for quarter and year ended March 31, 2023

		USD				
		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
<b>REVENUE</b>						
Revenue from operations	17.1	28,166,869	27,245,499	25,056,029	106,056,765	89,510,939
Other income	17.2	764,710	542,243	4,178,253	3,008,585	7,628,279
<b>Total revenue</b>		<b>28,931,579</b>	<b>27,787,742</b>	<b>29,234,282</b>	<b>109,065,350</b>	<b>97,139,218</b>
<b>EXPENSES</b>						
Purchase of stock-in-trade (traded goods)		1,304,657	1,980,241	1,980,646	4,664,759	3,829,963
Employee benefit expenses	18	3,551,129	4,032,879	3,304,141	13,967,382	13,311,334
Finance costs	19	499,359	97,650	114,070	749,058	409,683
Depreciation and amortization expense	3	20,029	16,884	17,075	67,281	76,183
Other expenses	20	19,818,190	17,790,618	18,632,979	73,188,417	61,562,284
<b>Total expenses</b>		<b>25,193,364</b>	<b>23,918,272</b>	<b>24,048,911</b>	<b>92,636,896</b>	<b>79,189,445</b>
<b>Profit before tax</b>		3,738,215	3,869,470	5,185,371	16,428,453	17,949,772
		4,257,603	3,984,004	5,316,516	17,244,792	18,435,637
<b>Tax expense</b>						-6%
Current tax expense		285,465	1,489,399	1,155,275	4,100,022	4,238,878
Deferred tax		284,973	1,499	(336,489)	287,895	(924,716)
<b>Net tax expense</b>		<b>570,438</b>	<b>1,490,898</b>	<b>818,786</b>	<b>4,387,917</b>	<b>3,314,162</b>
<b>Profit after tax</b>		<b>3,167,776</b>	<b>2,378,572</b>	<b>4,366,585</b>	<b>12,040,536</b>	<b>14,635,610</b>



SONATA SOFTWARE NORTH AMERICA INC.  
Cash Flow Statement for year ended March 31, 2023

USD

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>16,428,453</b>	<b>17,949,772</b>
Adjustments for :		
Depreciation and amortization expense	67,281	76,183
Excess of carrying costs over fair value of current investments	(6,227)	-
Interest expense	749,058	409,683
Allowance for bad & doubtful trade receivables	279,359	38,542
Provision no longer required (net)	-	(3,507,875)
Interest income	(98,358)	(72,404)
Dividend income	(2,904,000)	(4,048,000)
Write off of ICD given to Sopris	-	2,923,144
Write off of ICD given to SSFZ	1,162,172	
Unrealized foreign exchange (gain) / loss	263,439	11,751
<b>Operating Profit before working capital changes</b>	<b>15,941,177</b>	<b>13,780,795</b>
Adjustments for :		
Decrease/(increase) in trade receivables	(2,522,678)	480,464
Decrease/(increase) in other current assets	(517,202)	9,799
Decrease/(increase) in other financial assets	(5,039,843)	(1,393,410)
Decrease/(increase) in other non-current financial assets	(7,344)	(12,394)
(Decrease)/increase in trade payables	15,158,579	(4,846,631)
(Decrease)/increase in other current liabilities	439,515	937,003
(Decrease)/increase in non-current liabilities	(2,601,344)	(3,800,530)
(Decrease)/increase in short-term provisions	(9,933)	1,049,362
<b>Cash generated from operations</b>	<b>20,840,926</b>	<b>6,204,459</b>
Direct taxes/advance tax paid (net)	(3,917,850)	(4,240,904)
<b>Net cash from operating activities</b>	<b>16,923,077</b>	<b>1,963,555</b>
<b>Net cash from operating activities after exceptional items</b>	<b>16,923,077</b>	<b>1,963,555</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP	(339,562)	(41,971)
Investment - Treeni Sustainability Solutions Inc.	-	(50,000)
Investment - Retail 10X Inc.	-	(16,000)
Interest received	98,358	271,619
Investments - Encore Software Services, Inc.	-	(5,829,750)
Investments - Quant Systems Inc.	(65,000,000)	-
Issue of ICD Sopris	(775,000)	(936,000)
Repayment of ICD	377,829	550,000
Dividend received	2,904,000	4,048,000
<b>Net cash flow from investing activities</b>	<b>(62,734,375)</b>	<b>(2,004,102)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings From Bank	55,000,000	-
Repayment of long-term borrowings from Bank	(3,000,000)	(4,500,000)
Interest paid Citibank Loan	(749,058)	(409,683)
<b>Net cash from financing activities</b>	<b>51,250,942</b>	<b>(4,909,683)</b>
Net increase/(decrease) in cash and cash equivalents	5,439,643	(4,950,230)
Opening cash and cash equivalents	3,675,874	8,626,104
<b>Closing cash and cash equivalents</b>	<b>9,115,517</b>	<b>3,675,874</b>
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	9,095,517	3,655,871
In Deposit accounts	20,000	20,000
<b>Total</b>	<b>9,115,517</b>	<b>3,675,871</b>

**3 : Property, Plant and Equipment**

USD

Particulars	Tangible Assets				Total Tangible Assets
	Office Equipments	Leasehold Improvements	Furniture and Fixtures	Plant and Equipments	
<b>As at April 1, 2021</b>	<b>56,958</b>	<b>74,983</b>	<b>104,267</b>	<b>533,757</b>	<b>769,965</b>
Additions	-	-	-	41,971	41,971
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2022</b>	<b>56,958</b>	<b>74,983</b>	<b>104,267</b>	<b>575,728</b>	<b>811,936</b>
<b>As at April 1, 2022</b>	<b>56,958</b>	<b>74,983</b>	<b>104,267</b>	<b>575,728</b>	<b>811,936</b>
Additions	-	-	2,427	337,134	339,562
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2023</b>	<b>56,958</b>	<b>74,983</b>	<b>106,694</b>	<b>912,862</b>	<b>1,151,497</b>
<b>Depreciation/ Amortization</b>					
<b>As at April 1, 2021</b>	<b>48,228</b>	<b>18,764</b>	<b>103,211</b>	<b>440,788</b>	<b>610,991</b>
Charge for the year	3,049	14,987	507	49,326	67,869
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2022</b>	<b>51,277</b>	<b>33,751</b>	<b>103,719</b>	<b>490,113</b>	<b>678,860</b>
<b>As at April 1, 2022</b>	<b>51,277</b>	<b>33,751</b>	<b>103,719</b>	<b>490,113</b>	<b>678,860</b>
Charge for the year	2,513	14,987	509	49,272	67,281
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2023</b>	<b>53,790</b>	<b>48,738</b>	<b>104,228</b>	<b>539,385</b>	<b>746,141</b>
<b>Net Block</b>					
<b>As at Mar 31, 2022</b>	<b>5,681</b>	<b>41,232</b>	<b>548</b>	<b>85,615</b>	<b>133,076</b>
<b>As at Mar 31, 2023</b>	<b>3,168</b>	<b>26,245</b>	<b>2,466</b>	<b>373,477</b>	<b>405,356</b>

**SONATA SOFTWARE NORTH AMERICA INC.**  
**Notes forming part of financial statements**

	USD	
	As at	As at
	March 31, 2023	March 31, 2022
<b>4.1 : Investments</b>		
<b>Trade, Long-term, unquoted and at cost</b>		
<b>In subsidiary companies</b>		
<b>Investment in equity instruments</b>		
860,000 Equity shares of \$ 0.0001/- each in Rezopia Inc. (As at 31.03.2023 - 512,296 Equity shares of \$ 0.0001/- each (fully paid))		
15,754,000 Equity shares of \$ 0.004/- each in Halosys Inc. (As at 31.03.2023 - 15,754,000 Equity shares of \$ 0.004/- each (fully paid))		
138 shares of US \$ 0.01 per share of Principal Financial Group Inc., (As at March 31, 2023 138 shares of US \$ 0.01 per share of Principal Financial Group Inc.,)	10,256	10,269
500,250 Equity shares of \$ 1/- each in Interactive Business Information Systems Inc.	-	9,068,946
Investments-Retail 10X Inc. (Instrument (SAFE) containing future right to shares of Capital Stock)	850,000	850,000
Investment - Sopris Systems	6,742,897	6,742,897
Investment - SemiCab Inc. (As at March 31, 2023 669,567 shares )	350,000	350,000
Investment - Treeni Sustainability Solutions Inc. (As at March 31, 2023 1,104,550 shares )	300,000	300,000
Investments - Encore Software Services,Inc. (As at March 31, 2023 3,000 shares )	14,937,100	14,937,100
Investments - Quant Systems Inc. (As at March 31, 2023 9,800 shares )	159,000,000	-
<b>Total</b>	<b>182,190,253</b>	<b>32,259,212</b>
<b>4.2 : Other financial assets</b>		
Unsecured, considered good		
Security deposits	51,974	44,630
<b>Total</b>	<b>51,974</b>	<b>44,630</b>
<b>5 : Deferred tax assets (net)</b>		
Deferred tax assets (net)	1,363,168	1,651,064
<b>Total</b>	<b>1,363,168</b>	<b>1,651,064</b>
<b>6 : Trade receivables</b>		
Unsecured		
Considered good	13,364,132	11,384,252
Considered doubtful	461,271	181,040
	13,825,402	11,565,292
Less : Provision for doubtful trade receivables	461,271	181,040
	13,364,132	11,384,252
<b>Total</b>	<b>13,364,132</b>	<b>11,384,252</b>

SONATA SOFTWARE NORTH AMERICA INC.  
Notes forming part of financial statements

	USD	
	As at	As at
	March 31, 2023	March 31, 2022
<b>6.1 : Cash and cash equivalents</b>		
In Current accounts	9,095,517	3,655,871
In Deposit accounts	20,000	20,000
<b>Total</b>	<b>9,115,517</b>	<b>3,675,871</b>
<b>6.2 : Loans</b>		
Unsecured, considered good		
Inter-corporate deposits	775,054	1,540,000
<b>Total</b>	<b>775,054</b>	<b>1,540,000</b>
<b>6.3 : Other financial assets</b>		
Loans and advances to related parties - Advances recoverable	1,119,093	1,158,528
Loans and advances to employees	35,574	25,979
Unbilled revenue	7,402,787	2,337,829
Interest accrued on Inter-corporate deposits	35,436	30,712
<b>Total</b>	<b>8,592,890</b>	<b>3,553,048</b>
<b>7 : Other current assets</b>		
Prepaid expenses	56,965	12,350
GST/HST input	1,692	856
Other recoverables	608,823	137,072
<b>Total</b>	<b>667,480</b>	<b>150,278</b>
<b>8 : Equity Share capital</b>		
<b>Authorized</b>		
Common Stock \$1 par value, 3,500,000 shares	<b>3,500,000</b>	<b>3,500,000</b>
(March 31, 2022 Common Stock \$1 par value, 3,500,000 shares)		
<b>Issued, Subscribed and paid-up</b>		
\$1 par value 300,000 shares each fully paid-up	300,000	300,000
(March 31, 2022 \$1 par value 300,000 shares each fully paid-up)		
<b>Total</b>	<b>300,000</b>	<b>300,000</b>
<b>9 : Other equity</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	23,975,647	9,342,529
Add : IBIS Acquisition	(1,368,415)	-
Profit for the year	12,040,536	14,635,610
Revaluation of CSSN investments	149,563	(8,729)
Revaluation of investment	(6,240)	6,240
<b>Total</b>	<b>34,791,091</b>	<b>23,975,650</b>
<b>10 : Borrowings</b>		
From banks	37,125,000	-
<b>Total</b>	<b>37,125,000</b>	<b>-</b>
<b>11 : Other non-current liabilities</b>		
Rent equalization	57,764	31,422
Purchase consideration payable - Encore	3,734,795	6,648,652
Purchase consideration payable - Quant	42,090,529	-
Other financial liabilities-Long term incentive payable	55,046	-
<b>Total</b>	<b>45,938,134</b>	<b>6,680,074</b>
<b>12 : Short-term borrowings</b>		
From banks - UnSecured	1,388,290	1,388,290
(Paycheck protection program loan received from Small Business administration, US Treasury)		
Current portion of secured bank loans	17,875,000	-
<b>Total</b>	<b>19,263,290</b>	<b>1,388,290</b>

SONATA SOFTWARE NORTH AMERICA INC.  
Notes forming part of financial statements

	USD	
	As at	As at
	March 31, 2023	March 31, 2022
<b>13 : Other Financial liabilities</b>		
Current maturities of long term debt (Citi bank Loan)	-	3,000,000
<b>Total</b>	<b>-</b>	<b>3,000,000</b>
<b>14 : Other current liabilities</b>		
Purchase consideration payable - Encore	3,217,337	2,646,661
Purchase consideration payable - Quant	52,162,451	-
Income received in advance (Unearned revenue)	50,670	765,453
Statutory remittances	80,865	254,674
Advances from customers	576,529	559,557
Reimbursable Expenses payable to related party	334,217	105,506
Others	188,552	5,166
<b>Total</b>	<b>56,610,621</b>	<b>4,337,016</b>
<b>15 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	729,774	596,764
<b>Total</b>	<b>729,774</b>	<b>596,764</b>
<b>16 : Current tax liabilities</b>		
Provision for tax	1,689,980	1,507,173
<b>Total</b>	<b>1,689,980</b>	<b>1,507,173</b>

USD

	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2023	December 31, 2022	June 30, 2022	March 31, 2023	March 31, 2022
<b>17.1 : Revenue from operations</b>					
Revenue from software services	26,486,996	25,241,004	24,416,393	100,238,541	85,311,306
Revenue from hardware/software product and licenses	1,646,658	1,980,607	928,606	5,722,290	4,197,008
Other operating revenues	33,215	23,888	20,368	95,934	2,625
<b>Total</b>	<b>28,166,869</b>	<b>27,245,499</b>	<b>25,365,367</b>	<b>106,056,765</b>	<b>89,510,939</b>
<b>17.2 : Other income</b>					
Interest income	20,658	35,995	14,842	98,358	72,404
Dividend income	750,000	500,000	797,000	2,904,000	4,048,000
Net gain on excess of fair value over carrying costs of current investme	(5,948)	6,248	-	6,227	-
Provision no longer required written back	-	-	-	-	3,507,875
<b>Total</b>	<b>764,710</b>	<b>542,243</b>	<b>811,842</b>	<b>3,008,585</b>	<b>7,628,279</b>
<b>18 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	3,292,912	3,759,555	2,988,233	12,986,575	12,419,222
Contribution to 401K fund	73,576	58,268	55,920	249,714	184,324
Staff welfare expenses	184,641	215,056	152,159	731,093	707,788
<b>Total</b>	<b>3,551,129</b>	<b>4,032,879</b>	<b>3,196,312</b>	<b>13,967,382</b>	<b>13,311,334</b>
<b>19:Finance costs</b>					
Interest expense					
Borrowings	171,793	-	4,233	176,026	108,109
Unwinding contingent consideration	305,046	50,536	70,389	487,924	262,869
Others	252	9	-	261	-
Other borrowing costs	22,268	47,105	4,674	84,847	38,705
<b>Total</b>	<b>499,359</b>	<b>97,650</b>	<b>79,296</b>	<b>749,058</b>	<b>409,683</b>
<b>20 : Other expenses</b>					
Power and fuel	3,228	2,250	1,693	8,585	6,456
Rent	95,504	8,830	83,495	271,184	311,487
Repairs and maintenance - Machinery	9,478	1,546	735	20,977	4,153
Insurance	7,531	7,512	10,899	34,323	73,753
Rates and taxes	185,206	225,046	187,630	788,793	778,424
Communication cost	51,191	51,010	35,491	183,739	112,069
Facility maintenance	21,814	(3,534)	19,433	55,588	42,963
Travelling and conveyance expenses	115,259	129,004	55,688	350,664	119,097
Sales commission	(690,492)	(459,678)	97,954	(1,347,126)	498,234
Software Project fees	13,499,153	13,740,227	13,228,320	54,748,198	44,492,697
Professional and technical fees	84,479	72,085	98,028	306,325	736,270
Legal fees	346,622	(52,346)	2,449	350,273	13,221
Insourcing professional fees	4,025,018	3,642,467	2,868,154	14,076,448	10,469,123
Net loss on foreign currency transaction and translation	34,073	(9,765)	(41,814)	167,446	1,222
Provision for doubtful trade receivables	20,280	103,782	68,840	279,359	38,542
ICD loan to Subsidiaries written off	1,162,172	-	-	1,162,172	2,923,141
Miscellaneous expenses	847,674	332,182	293,317	1,731,469	941,432
<b>Total</b>	<b>19,818,190</b>	<b>17,790,618</b>	<b>17,010,312</b>	<b>73,188,417</b>	<b>61,562,284</b>

**Sopris Systems LLC.**  
**Balance Sheet as at March 31, 2023**

		USD	USD
		As At	As At
	Note No.	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	3,493	5,311
Financial assets			
Other financial assets	4	-	5,000
<b>Total non-current assets</b>		<b>3,493</b>	<b>10,311</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	5	148,557	89,729
Cash and cash equivalents	6	142,217	50,371
Other current assets	7	8,811	1,474
<b>Total current assets</b>		<b>299,585</b>	<b>141,573</b>
<b>TOTAL</b>		<b>303,079</b>	<b>151,884</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital		2	2
Other equity	8	(1,438,305)	(813,346)
<b>Total Equity</b>		<b>(1,438,303)</b>	<b>(813,344)</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	9	775,000	-
Trade payables	10	463,421	379,379
Other financial liabilities	11	259,961	315,316
Provisions	12	-	27,533
Current tax liabilities	13	243,000	243,000
<b>Total current liabilities</b>		<b>1,741,382</b>	<b>965,228</b>
<b>TOTAL</b>		<b>303,079</b>	<b>151,884</b>

## Sopris Systems LLC .

## Statement of Profit and Loss for quarter and year ended March 31, 2023

USD

		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
<b>REVENUE</b>						
Revenue from operations	13.1	-	102,697	355,138	617,633	2,162,298
Other income	13.2	-	-	2,923,144	-	2,923,144
<b>Total revenue</b>		<b>-</b>	<b>102,697</b>	<b>3,278,282</b>	<b>617,633</b>	<b>5,085,442</b>
<b>EXPENSES</b>						
Purchase of stock-in-trade (traded goods)		-	(13,464)	8,820	19,459	227,661
Employee benefit expenses	14	523	(77,023)	602,915	497,328	2,742,128
Finance costs	15	12,405	12,050	14,182	35,436	41,691
Depreciation and amortization expense	3	448	458	448	1,818	1,818
Other expenses	16	2,199	97,461	622,110	688,552	1,172,143
<b>Total expenses</b>		<b>15,575</b>	<b>19,482</b>	<b>1,248,475</b>	<b>1,242,593</b>	<b>4,185,441</b>
<b>Profit before tax</b>		<b>(15,575)</b>	<b>83,215</b>	<b>2,029,806</b>	<b>(624,959)</b>	<b>900,001</b>
Current tax expense		-	-	243,000	-	243,000
<b>Profit after tax</b>		<b>(15,575)</b>	<b>83,215</b>	<b>1,786,806</b>	<b>(624,959)</b>	<b>657,001</b>



	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	<b>(624,959)</b>	<b>900,001</b>
Adjustments for :		
Depreciation and amortization expense	1,818	1,818
Interest expense	35,436	41,691
Allowance for bad & doubtful trade receivables	(17,100)	18,253
Write off of recoverable expenses	-	677,686
Write back of other financial liabilities	-	(190,055)
Write back of Inter corporate loan from holding company	-	(2,923,144)
<b>Operating Profit before working capital changes</b>	<b>(604,805)</b>	<b>(1,473,750)</b>
Adjustments for :		
Decrease/(increase) in trade receivables	(41,728)	254,743
Decrease/(increase) in non current assets	5,000	-
Decrease/(increase) in other current assets	(7,338)	22,338
(Decrease)/increase in trade payables	84,042	55,195
(Decrease)/increase in Provisions	(27,533)	27,533
(Decrease)/increase in other current liabilities	(55,356)	65,603
<b>Cash generated from operations</b>	<b>(647,717)</b>	<b>(1,048,338)</b>
Direct taxes/advance tax paid (net)	-	-
<b>Net cash from operating activities</b>	<b>(647,717)</b>	<b>(1,048,338)</b>
<b>Net cash from operating activities after exceptional items</b>	<b>(647,717)</b>	<b>(1,048,338)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inter corporate loan from holding company	775,000	936,000
Interest paid	(35,436)	-
<b>Net cash from financing activities</b>	<b>739,564</b>	<b>936,000</b>
Net increase/(decrease) in cash and cash equivalents	91,847	(112,338)
Opening cash and cash equivalents	50,371	162,708
<b>Closing cash and cash equivalents</b>	<b>142,217</b>	<b>50,371</b>
Balances with banks		
In Current accounts	142,217	50,371
In Deposit accounts	-	-
	<b>142,217</b>	<b>50,371</b>

Sopris Systems LLC .

Notes forming part of financial statements

**3 : Property, Plant and Equipment**

USD

<b>Tangible Assets</b>	
<b>Particulars</b>	<b>Plant and Equipments</b>
<b>As at April 1, 2022</b>	<b>9,100</b>
Additions	-
Disposals/Write off	-
<b>As at Mar 31st, 2023</b>	<b>9,100</b>

<b>As at April 1, 2022</b>	<b>3,789</b>
Charge for the Year	5,607
<b>As at Mar 31st, 2023</b>	<b>9,397</b>

<b>Net Block:</b>	
As at April 1, 2021	7,129
<b>As at Mar 31st, 2022</b>	<b>5,311</b>
<b>As at Mar 31st, 2023</b>	<b>3,493</b>

Sopris Systems LLC .  
Notes forming part of financial statements

	USD	USD
	As At	As At
	March 31, 2023	March 31, 2022
<b>4 : Other financial assets</b>		
Security deposits	-	5,000
<b>Total</b>	<b>-</b>	<b>5,000</b>
<b>5 : Trade receivables</b>		
Unsecured		
Considered good	148,557	89,729
Considered doubtful	285,398	302,498
	433,955	392,227
Less : Provision for doubtful trade receivables	285,398	302,498
<b>Total</b>	<b>148,557</b>	<b>89,729</b>
<b>6 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	142,217	50,371
<b>Total</b>	<b>142,217</b>	<b>50,371</b>
<b>7 : Other current assets</b>		
Loans and advances to employees	-	574
Other recoverables	8,811	899
<b>Total</b>	<b>8,811</b>	<b>1,474</b>
<b>8 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(813,346)	(1,470,347)
Profit/(loss) for the year	(624,959)	657,001
<b>Total</b>	<b>(1,438,305)</b>	<b>(813,346)</b>
<b>9 : Borrowings</b>		
<b>Loans and advances from related parties</b>		
Inter-corporate borrowings from holding Company - Unsecured	775,000	-
<b>Total</b>	<b>775,000</b>	<b>-</b>
<b>10 : Trade payables</b>		
Trade payables - other than acceptances	463,421	379,379
<b>Total</b>	<b>463,421</b>	<b>379,379</b>
<b>11 : Other financial liabilities</b>		
Interest accrued on Inter-corporate deposits	35,436	-
Reimbursable Expenses payable to related party	156,392	88,409
Statutory remittances	-	68,253
Advances from customers	70,953	68,476
Others	(2,821)	90,179
<b>Total</b>	<b>259,961</b>	<b>315,316</b>
<b>12 : Provisions</b>		
Provision for compensated absences	-	27,533
<b>Total</b>	<b>-</b>	<b>27,533</b>
<b>13 : Current tax liabilities</b>		
Provision for tax	243,000	243,000
<b>Total</b>	<b>243,000</b>	<b>243,000</b>

## Sopris Systems LLC .

## Notes forming part of financial statements

			USD		USD
	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
<b>13.1 : Revenue from operations</b>					
Revenue from software services	-	102,697	342,538	568,116	1,834,149
Revenue from hardware/software product and licenses	-	-	12,600	49,517	326,994
Other operating revenues	-	-	-	-	1,155
<b>Total</b>	<b>-</b>	<b>102,697</b>	<b>355,138</b>	<b>617,633</b>	<b>2,162,298</b>
<b>13.2 : Other income</b>					
Provision no longer required written back	-	-	2,923,144	-	2,923,144
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,923,144</b>	<b>-</b>	<b>2,923,144</b>
<b>14 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	574	(82,749)	571,525	452,293	2,594,471
Contribution to 401K fund	(51)	-	17,230	15,514	78,041
Staff welfare expenses	-	5,726	14,160	29,522	69,616
<b>Total</b>	<b>523</b>	<b>(77,023)</b>	<b>602,915</b>	<b>497,328</b>	<b>2,742,128</b>
<b>15 : Finance costs</b>					
Interest on borrowings	12,405	12,050	14,182	35,436	41,691
<b>Total</b>	<b>12,405</b>	<b>12,050</b>	<b>14,182</b>	<b>35,436</b>	<b>41,691</b>
<b>16 : Other expenses</b>					
Repairs and maintenance - Machinery	-	28	-	28	181
Rates and taxes	-	-	4,930	3,375	23,184
Communication cost	1,585	1,256	7,772	12,697	38,663
Facility maintenance	-	-	341	-	1,471
Travelling and conveyance expenses	-	1,631	2,485	16,003	13,002
Software Project fees	-	43,586	51,362	291,178	139,009
Professional and technical fees	-	2,405	2,415	6,819	8,215
Legal fees	-	-	45	450	(130)
Insourcing professional fees	-	45,440	67,360	354,010	367,180
Net loss on foreign currency transaction and translation	(147)	(1,963)	(176)	(341)	1,761
Bad debts	-	-	-	-	1,178
Provision for doubtful trade receivables	-	-	(13,045)	(17,100)	18,253
Miscellaneous expenses	761	5,079	498,620	21,434	560,176
<b>Total</b>	<b>2,199</b>	<b>97,461</b>	<b>622,110</b>	<b>688,552</b>	<b>1,172,143</b>

Gapbuster Ltd, UK ( Consolidated Financial Statement )  
Balance Sheet as at 31st March 2023

		GBP	
	Note No.	As At March 31,2023	As At March 31,2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	199,887	182,176
Other non-current assets	4	57,367	60,475
<b>Total non-current assets</b>		<b>257,254</b>	<b>242,651</b>
Trade receivables	5	1,490,804	1,408,905
Cash and cash equivalents	6	472,721	215,374
Other current assets	7	1,010,877	444,901
<b>Total current assets</b>		<b>2,974,402</b>	<b>2,069,181</b>
<b>TOTAL</b>		<b>3,231,656</b>	<b>2,311,832</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	9,527,606	9,527,606
Other equity	9	(10,387,450)	(10,362,692)
<b>Total Equity</b>		<b>(859,844)</b>	<b>(835,086)</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	10	680,837	588,354
Borrowings	11	888,763	975,031
Other financial liabilities	12	1,914,474	994,215
Provisions	13	607,425	589,316
<b>Total Current Liabilities</b>		<b>4,091,500</b>	<b>3,146,918</b>
<b>TOTAL</b>		<b>3,231,656</b>	<b>2,311,832</b>

Gapbuster Ltd, UK ( Consolidated Financial Statement )  
Statement of Profit and Loss for the year ended 31st March 2023

		GBP				
		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
<b>REVENUE</b>						
Revenue from operations	14.1	2,038,612	2,089,723	1,845,823	8,622,345	7,343,310
Other income	14.2	17	11	21	103	5,796
<b>Total revenue</b>		<b>2,038,630</b>	<b>2,089,734</b>	<b>1,845,844</b>	<b>8,622,448</b>	<b>7,349,106</b>
<b>EXPENSES</b>						
Employee benefit expenses	15	702,119	717,601	811,917	2,998,682	2,929,957
Finance costs	16	18,177	19,560	6,672	65,510	19,169
Depreciation and amortization expense	3	16,723	16,236	14,971	56,910	45,895
Other expenses	17	1,285,719	1,218,612	1,082,930	5,272,791	4,293,409
<b>Total expenses</b>		<b>2,022,739</b>	<b>1,972,009</b>	<b>1,916,490</b>	<b>8,393,893</b>	<b>7,288,431</b>
<b>Profit before tax</b>		<b>15,891</b>	<b>117,725</b>	<b>(70,646)</b>	<b>228,554</b>	<b>60,675</b>
Current tax expense		111,301	1,935	-	142,742	-
<b>Profit after tax</b>		<b>(95,411)</b>	<b>115,790</b>	<b>(70,646)</b>	<b>85,813</b>	<b>60,675</b>

**Gapbuster Ltd, UK ( Consolidated Financial Statement )**  
**Cash Flow statement for year ended 31st March 2023**

**GBP**

	Year Ended March 31,2023	Year Ended March 31,2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	<b>228,554</b>	<b>60,675</b>
<b>Adjustments for :</b>		
Depreciation and amortization expense	56,910	45,895
Interest expense	65,510	19,169
Provisions/ liabilities no longer required written back	-	5,356
Allowance for bad & doubtful trade receivables	10,368	(973)
Interest income	(103)	(247)
<b>Operating Profit before working capital changes</b>	<b>361,240</b>	<b>129,876</b>
<b>Adjustments for :</b>		
Decrease/(increase) in trade receivables	(92,267)	(780,367)
Decrease/(increase) in other non current assets	3,108	(5,282)
Decrease/(increase) in other current assets	(517,678)	248,980
(Decrease)/increase in trade payables	92,482	204,733
(Decrease)/increase in other current liabilities	854,749	89,195
(Decrease)/increase in short-term provisions	18,109	77,081
<b>Cash generated from operations</b>	<b>719,743</b>	<b>(35,784)</b>
Direct taxes/advance tax paid (net)	(191,039)	-
<b>Net cash from operating activities</b>	<b>528,704</b>	<b>(35,784)</b>
<b>Net cash from operating activities after exceptional items</b>	<b>528,704</b>	<b>(35,784)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Purchase of fixed assets, including intangible assets, CWIP	(74,622)	(209,129)
Interest received	103	247
<b>Net cash flow from investing activities</b>	<b>(74,519)</b>	<b>(208,882)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inter corporate loan from Parent	(86,267)	173,439
<b>Net cash from financing activities</b>	<b>(86,267)</b>	<b>173,439</b>
Net increase/(decrease) in cash and cash equivalents	367,917	(71,228)
Opening cash and cash equivalents	215,374	284,765
Exchange difference on translation of foreign currency cash and cash equivalents	(110,570)	1,837
<b>Closing cash and cash equivalents</b>	<b>472,721</b>	<b>215,374</b>
Balances with banks		
In Current accounts	472,721	215,374
<b>Total</b>	<b>472,721</b>	<b>215,374</b>

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

**3 : Property, Plant and Equipment**

GBP

Particulars	Tangible Assets				Total Tangible Assets
	Land improvements	Office Equipments	Furniture and Fixtures	Plant and Equipments	
<b>Deemed cost</b>					
As at April, 2022		17,069	13,392	2,301,535	2,331,996
Additions/(write offs)	11,465	(10,368)	(8,759)	(1,938,542)	<b>(1,946,205)</b>
<b>As at March 31, 2023</b>	<b>11,465</b>	<b>6,701</b>	<b>4,633</b>	<b>362,993</b>	<b>385,791</b>
<b>Depreciation/ Amortization</b>					
As at April, 2022		15,485	12,610	2,121,726	2,149,820
Charge for the Year/(written back)	2,459	(13,484)	(11,537)	(1,941,355)	(1,963,917)
<b>As at March 31, 2023</b>	<b>2,459</b>	<b>2,001</b>	<b>1,073</b>	<b>180,371</b>	<b>185,903</b>
<b>Net Block:</b>					
<b>As at April 2022</b>	<b>-</b>	<b>1,584</b>	<b>783</b>	<b>179,809</b>	<b>182,176</b>
<b>As at March 31, 2023</b>	<b>9,006</b>	<b>4,700</b>	<b>3,560</b>	<b>182,622</b>	<b>199,887</b>



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

	GBP	
	As At	As At
	March 31,2023	March 31,2022
<b>4 : Other non-current assets</b>		
Rent Deposit	57,367	60,475
<b>Total</b>	<b>57,367</b>	<b>60,475</b>
<b>5 : Trade receivables</b>		
Unsecured		
Considered good	1,490,804	1,408,905
Considered doubtful	37,507	26,560
	1,528,311	1,435,465
Less : Provision for doubtful trade receivables	37,507	26,560
<b>Total</b>	<b>1,490,804</b>	<b>1,408,905</b>
<b>6 : Cash and cash equivalents</b>		
Cash on hand	687	700
<b>Balances with banks</b>		
In Current accounts	472,034	214,674
<b>Total</b>	<b>472,721</b>	<b>215,374</b>
<b>7 : Other current assets</b>		
Income Accrued But Not Due - Sales	803,910	324,407
GST & VAT credit receivable	81,676	35,296
Prepaid expenses	56,553	64,758
Advance taxes	68,738	20,441
<b>Total</b>	<b>1,010,877</b>	<b>444,901</b>
<b>8 : Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
Share capital		
<b>Equity Shares</b>		
22,724 Ordinary shares	227	227
<b>Closing balance</b>	<b>227</b>	<b>227</b>
<b>Preference Shares</b>		
80,287 A preference shares	9,527,099	9,527,099
2,821 B preference shares	140	140
4,641 C preference shares	140	140
<b>Closing balance</b>	<b>9,527,379</b>	<b>9,527,379</b>
<b>Total</b>	<b>9,527,606</b>	<b>9,527,606</b>
<b>9 : Other equity</b>		
<b>Retained earnings</b>		
Opening balance	(8,393,465)	(8,236,787)
Profit/(loss) for the year	85,813	60,675
Deferred tax asset adjustment	(1,191)	(217,353)
<b>Closing balance</b>	<b>(8,308,843)</b>	<b>(8,393,465)</b>
<b>Other Comprehensive Income</b>		
Opening balance	(1,969,227)	(2,013,688)
For the year	(109,379)	44,461
<b>Closing balance</b>	<b>(2,078,607)</b>	<b>(1,969,227)</b>
<b>Total</b>	<b>(10,387,450)</b>	<b>(10,362,692)</b>

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

	GBP	
	As At	As At
	March 31,2023	March 31,2022
<b>10 : Trade payables</b>		
Trade payables - other than acceptances	680,837	588,354
<b>Total</b>	<b>680,837</b>	<b>588,354</b>
<b>11 : Borrowings</b>		
Inter corporate loan payable	888,763	975,032
<b>Total</b>	<b>888,763</b>	<b>975,032</b>
<b>12 : Other financial liabilities</b>		
Income received in advance (Unearned revenue)	912,645	62,143
Interest accrued on Inter-corporate deposits	87,458	29,972
Statutory remittances	107,212	95,612
Provision for expenses, Salary payable & others	807,159	806,489
<b>Total</b>	<b>1,914,474</b>	<b>994,215</b>
<b>13 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	607,425	589,318
<b>Total</b>	<b>607,425</b>	<b>589,318</b>

	For the quarter ended March 31, 2023	For the quarter ended December 31, 2022	For the quarter ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>14.1 : Revenue from operations</b>					
Revenue from software services	2,038,612	2,089,723	1,845,823	8,622,345	7,343,310
<b>Total</b>	<b>2,038,612</b>	<b>2,089,723</b>	<b>1,845,823</b>	<b>8,622,345</b>	<b>7,343,310</b>
<b>14.2 : Other income</b>					
Interest income	17	11	21	103	247
Provision no longer required written back	-	-	-	-	5,356
Miscellaneous income	-	-	-	-	193
<b>Total</b>	<b>17</b>	<b>11</b>	<b>21</b>	<b>103</b>	<b>5,796</b>
<b>15 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	680,330	692,389	787,923	2,901,411	2,862,341
Contributions to provident and other funds	10,036	9,609	8,885	40,603	39,883
Staff welfare expenses	11,753	15,604	15,108	56,668	27,733
<b>Total</b>	<b>702,119</b>	<b>717,601</b>	<b>811,917</b>	<b>2,998,682</b>	<b>2,929,957</b>
<b>16 : Finance costs</b>					
Lease rental discounted	2,266	2,133	1,847	8,661	2,064
Interest on ICD	15,911	16,985	4,825	56,355	18,088
Interest Others	-	442	-	494	(983)
<b>Total</b>	<b>18,177</b>	<b>19,560</b>	<b>6,672</b>	<b>65,510</b>	<b>19,169</b>
<b>17 : Other expenses</b>					
Power and fuel	4,663	4,999	3,191	16,908	13,000
Rent	26,933	25,482	34,432	116,201	134,877
Repairs and maintenance - Buildings	-	76	-	325	-
Repairs and maintenance - Machinery	19,788	21,510	24,755	83,004	153,687
Insurance	2,700	2,895	3,097	11,729	14,770
Rates and taxes	766	-	4,847	766	22,385
Communication cost	34,162	35,542	20,248	127,007	86,033
Service charges by holding co	65	127	(604)	61	(614)
Facility maintenance	4,674	4,807	5,752	18,924	12,548
Travelling and conveyance expenses	12,592	16,075	197	67,018	549
Shoppers fees & call center cost	1,133,809	928,392	920,978	4,275,966	3,600,695
Professional and technical fees	9,982	17,448	20,956	60,130	76,264
Legal fees	1,172	(234)	1,616	8,624	1,616
Insourcing professional fees	58,915	60,011	-	184,641	-
Net loss on foreign currency transaction and translation	(93,379)	85,657	(18,550)	112,818	9,875
Bad debts	-	-	(2,642)	12	(2,642)
Provision for doubtful trade receivables	30,630	(2,945)	-	10,356	(973)
Payment to auditors	7,618	7,614	8,682	39,026	43,170
Miscellaneous expenses	30,629	11,156	55,975	139,264	128,169
<b>Total</b>	<b>1,285,719</b>	<b>1,218,612</b>	<b>1,082,930</b>	<b>5,272,780</b>	<b>4,293,409</b>



ENCORE SOFTWARE SERVICES, INC  
Balance Sheet as at March 31, 2023

		USD	
	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	28	1
		<b>28</b>	<b>1</b>
Financial assets			
Other financial assets	4	17,698	145,867
<b>Total non-current assets</b>		<b>17,698</b>	<b>145,867</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	5.1	3,201,144	2,190,761
Cash and cash equivalents	5.2	1,249,977	1,731,710
Other financial assets	5.3	312,227	137,504
Other current assets	6	33,633	48,134
<b>Total current assets</b>		<b>4,796,981</b>	<b>4,108,109</b>
<b>Total assets</b>		<b>4,814,707</b>	<b>4,253,978</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	7	48,000	48,000
Other equity	8	2,819,313	1,959,983
<b>Total Equity</b>		<b>2,867,313</b>	<b>2,007,983</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	9	784,495	718,886
Provisions	10	1,162,899	1,527,109
<b>Total current liabilities</b>		<b>1,947,394</b>	<b>2,245,995</b>
<b>Total equity and liabilities</b>		<b>4,814,707</b>	<b>4,253,978</b>

ENCORE SOFTWARE SERVICES, INC

Statement of profit and Loss for the year ended 31st March 2023

		USD				
	Note No.	For the quarter ended March 31,2023	For the quarter ended December 31,2022	For the quarter ended March 31,2022	For the year ended March 31, 2023	For the Period 1st August to 31 March 2022
Revenue from operations	11	5,707,098	5,122,442	4,573,967	20,407,365	11,727,507
<b>Total revenue</b>		<b>5,707,098</b>	<b>5,122,442</b>	<b>4,573,967</b>	<b>20,407,365</b>	<b>11,727,507</b>
<b>EXPENSES</b>						
Employee benefit expenses	12	772,936	671,861	789,767	2,815,016	2,176,863
Depreciation and amortization expense	3	885	3,965	876	9,520	1,526
Other expenses	13	3,511,781	3,148,858	2,692,047	12,825,478	7,028,161
		<b>4,285,602</b>	<b>3,824,684</b>	<b>3,482,690</b>	<b>15,650,014</b>	<b>9,206,550</b>
<b>Profit before tax</b>		<b>1,421,496</b>	<b>1,297,758</b>	<b>1,091,277</b>	<b>4,757,351</b>	<b>2,520,957</b>
Current tax expense		92,438	351,294	294,645	994,018	673,832
<b>Profit for the year</b>		<b>1,329,058</b>	<b>946,464</b>	<b>796,632</b>	<b>3,763,333</b>	<b>1,847,125</b>

ENCORE SOFTWARE SERVICES, INC  
Cash Flow Statement for the year ended March 31, 2023

	USD	
	For the year ended March 31, 2023	For the period 1st August to 31 March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>4,757,351</b>	<b>2,520,957</b>
Adjustments for :		
Depreciation and amortization expense	9,520	1,526
<b>Operating Profit before working capital changes</b>	<b>4,766,871</b>	<b>2,522,483</b>
Adjustments for :		
Decrease/(increase) in trade receivables	(1,010,384)	(48,616)
Decrease/(increase) in other current assets	14,501	(89)
Decrease/(increase) in other financial assets	(174,723)	(43,494)
Decrease/(increase) in non-current other financial assets	27,478	-
(Decrease)/increase in trade payables	65,609	(230,715)
(Decrease)/increase in short-term provisions	(364,210)	(38,529)
<b>Cash generated from operations</b>	<b>(1,441,729)</b>	<b>2,161,040</b>
Direct taxes/advance tax paid (net)	(893,327)	(1,223,632)
<b>Net cash from operating activities</b>	<b>2,431,815</b>	<b>937,408</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP	(9,548)	(1,525)
<b>Net cash flow from investing activities</b>	<b>(9,548)</b>	<b>(1,525)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(2,904,000)	(2,048,000)
<b>Net cash from financing activities</b>	<b>(2,904,000)</b>	<b>(2,048,000)</b>
Net increase/(decrease) in cash and cash equivalents	(481,733)	(1,112,117)
Opening cash and cash equivalents	1,731,710	2,843,827
<b>Closing cash and cash equivalents</b>	<b>1,249,977</b>	<b>1,731,710</b>
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	1,249,977	1,731,710
<b>Total</b>	<b>1,249,977</b>	<b>1,731,710</b>

ENCORE SOFTWARE SERVICES, INC  
Notes forming part of the financial statements

3 : Property, Plant and Equipment

USD

Tangible Assets			
Particulars	Furniture and Fixtures	Plant and Equipments	Total Tangible Assets
<b>Deemed cost</b>			
<b>As at Apr 1, 2022</b>	<b>750</b>	<b>16,921</b>	<b>17,671</b>
Additions	-	9,550	9,550
Disposals/Write off	-	(2,993)	(2,993)
<b>As at March 31, 2023</b>	<b>750</b>	<b>23,478</b>	<b>24,228</b>
<b>Accumulated Depreciation</b>			
<b>As at Apr 1, 2022</b>	<b>750</b>	<b>16,920</b>	<b>17,670</b>
Charge for the Qtr	-	9,520	9,520
Disposals/Write off	-	(2,989)	(2,989)
<b>As at March 31, 2023</b>	<b>750</b>	<b>23,451</b>	<b>24,201</b>
<b>Net Block</b>			
<b>As at Apr 1, 2022</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>As at March 31, 2023</b>	<b>-</b>	<b>28</b>	<b>28</b>



ENCORE SOFTWARE SERVICES, INC  
Notes forming part of financial statements

	USD	
	As at March 31, 2023	As at March 31, 2022
<b>4 : Other financial assets</b>		
Unsecured, considered good		
Security deposits	-	27,478
Advance Tax (net of provision)	17,698	118,389
<b>Total</b>	<b>17,698</b>	<b>145,867</b>
<b>5.1 : Trade receivables</b>		
Unsecured		
Considered good	3,201,144	2,190,761
Considered doubtful	-	-
	3,201,144	2,190,761
Less : Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>3,201,144</b>	<b>2,190,761</b>
<b>5.2 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	1,249,977	1,731,710
<b>Total</b>	<b>1,249,977</b>	<b>1,731,710</b>
<b>5.3 : Other financial assets</b>		
Unbilled revenue	312,227	137,504
<b>Total</b>	<b>312,227</b>	<b>137,504</b>
<b>6 : Other current assets</b>		
Prepaid expenses	33,633	48,134
<b>Total</b>	<b>33,633</b>	<b>48,134</b>
<b>7 : Equity Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
\$16 par value 3000 shares each fully paid-up (31st March, 2022 \$16 par value 3000 shares each fully paid-up)	48,000	48,000
<b>Total</b>	<b>48,000</b>	<b>48,000</b>
<b>8 : Other equity</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	1,959,980	2,160,858
Profit for the year	3,763,333	1,847,125
Dividend Paid	(2,904,000)	(2,048,000)
<b>Total</b>	<b>2,819,313</b>	<b>1,959,983</b>
<b>9 : Trade payables</b>		
Trade payables - other than acceptances	784,495	718,886
<b>Total</b>	<b>784,495</b>	<b>718,886</b>
<b>10 : Provisions</b>		
Provision for employee benefits		
Provision for compensated absences	93,399	102,109
Provision for bonus	1,069,500	1,425,000
<b>Total</b>	<b>1,162,899</b>	<b>1,527,109</b>

ENCORE SOFTWARE SERVICES, INC  
Notes forming part of financial statements

	USD				
	For the quarter ended March 31,2023	For the quarter ended December 31,2022	For the quarter ended March 31,2022	For the year ended March 31, 2023	For the Period 1st August to 31 March 2022
<b>11 : Revenue from operations</b>					
Revenue from software services	5,705,632	5,116,873	4,497,007	20,332,260	11,618,538
Other operating revenues	1,466	5,569	76,960	75,105	108,969
<b>Total</b>	<b>5,707,098</b>	<b>5,122,442</b>	<b>4,573,967</b>	<b>20,407,365</b>	<b>11,727,507</b>
<b>12 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	750,433	652,950	762,719	2,736,170	2,109,459
Staff welfare expenses	22,503	18,911	27,048	78,846	67,404
<b>Total</b>	<b>772,936</b>	<b>671,861</b>	<b>789,767</b>	<b>2,815,016</b>	<b>2,176,863</b>
<b>13 : Other expenses</b>					
Rent	-	-	27,483	54,140	74,464
Repairs and maintenance - Buildings	-	-	-	1,419	-
Repairs and maintenance - Machinery	26	-	-	26	-
Insurance	3,502	3,502	934	14,008	12,217
Rates and taxes	2,431	1,554	1,846	7,805	3,638
Communication cost	3,000	2,693	5,259	15,948	11,201
Facility maintenance	-	208	-	3,337	558
Travelling and conveyance expenses	40,881	21,566	8,367	112,825	32,261
Software Project fees	2,128,212	1,966,543	1,526,723	7,775,459	3,950,542
Professional and technical fees	387,728	382,687	431,053	1,625,415	1,015,339
Legal fees	-	-	-	-	4,220
Insourcing professional fees	906,072	722,647	691,404	3,053,589	1,867,967
Net loss on fixed assets sold / scrapped	-	2	-	2	-
Miscellaneous expenses	39,929	47,456	20,372	161,505	55,464
<b>Total</b>	<b>3,511,781</b>	<b>3,148,858</b>	<b>2,713,441</b>	<b>12,825,478</b>	<b>7,028,161</b>

## **INDEPENDENT AUDITORS' REPORT**

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

Report on the Financial Statements

### **Opinion**

We have audited the accompanying financial statements of M/s. **ENCORE I.T. SERVICES SOLUTIONS PVT LTD** ("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (Including other 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 and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013, in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the statement of affairs of the company as at March 31, 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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



### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and we do not provide a separate opinion on these matters.

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

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

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

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

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

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these s financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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



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

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

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations. Or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are



also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore



the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in Annexure statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive income), the statement of changes in equity, the Cash Flow Statement and notes to the financial statements dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2014 as amended.
  - e. As per the management representation we report,
    - No fund have advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.





- No fund have been received by the company from any person(s) or entities including foreign entities (“Funding Parties”) with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
  - Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.
- f. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.
- g. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “AnnexureB”.
- i. With respect to the other matters to be included in the Auditor’s Report in accordance with requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The company does not have any pending litigations which would impact its financial position





- ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ESSVEEYAR  
Chartered Accountants  
FRN: 000808S

Place: Chennai  
Date : 25<sup>th</sup> day of April 2023

K. Sekar  
Partner  
Membership No: 028562  
UDIN: 23028562BGVSZV5598

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

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

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



5. The Company has not accepted any deposits from the public and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the act and the rules framed thereunder are not applicable. Further no order has been passed by Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal has been passed during the year
6. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with the Companies (cost records and audit) Rules 2014, for any of the services rendered by the Company.
7. According to information and explanations given to us in respect of statutory dues:
  - a. To the best our knowledge obtained and verification made, we report that the Company is regular in depositing undisputed statutory dues applicable to it with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they become payable as at 31/03/2023.
  - b. According to the information and explanations given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute are as follows:-

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

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

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



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

For ESSVEEYAR  
Chartered Accountants  
FRN: 000808S

K.Sekar  
Partner  
Membership No: 028562  
UDIN: 23028562BGVSZV5598

Place: Chennai  
Date: 25<sup>th</sup> day of April 2023

**“Annexure B”** to the Independent Auditor’s Report of even date on the Ind AS financial statements of ENCORE I.T. SERVICES SOLUTIONS PVT LTD for the year ended 31 March 2023

Report on the internal financial controls Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over reporting of ENCORE I.T. SERVICES SOLUTIONS PVT LTD (“the Company”) as of 31 March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my/our audit opinion on the Company’s internal financial controls system over financial reporting.



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

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

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

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

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

For ESSVEEYAR  
Chartered Accountants  
FRN: 000808S




K.Sekar  
Partner  
Membership No: 028562  
UDIN: 23028562BGVSZV5598


Place: Chennai  
Date: 25<sup>th</sup> day of April 2023

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2023**

		₹ in Lakhs	
	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	756.56	112.41
Deferred tax assets (net)	17	29.19	25.44
Other non-current assets	4	332.58	111.32
<b>Total non-current assets</b>		<b>1,118.33</b>	<b>249.17</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	5	254.54	117.00
Trade receivables	6	-	18.00
Cash and cash equivalents	7	341.34	242.60
Other financial assets	8	59.04	70.00
Other current assets	9	395.61	302.88
<b>Total current assets</b>		<b>1,050.53</b>	<b>750.49</b>
<b>Total assets</b>		<b>2,168.86</b>	<b>999.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	1.00	1.00
Other equity	11	960.64	666.81
<b>Total Equity</b>		<b>961.64</b>	<b>667.81</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other financial liabilities	12	646.88	-
<b>Total non-current liabilities</b>		<b>646.88</b>	<b>-</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		35.47	25.83
Other current liabilities	14	144.58	38.48
Provisions	15	180.11	204.54
Current tax liabilities (net)	16	200.18	63.01
<b>Total current liabilities</b>		<b>560.34</b>	<b>331.85</b>
<b>Total equity and liabilities</b>		<b>2,168.86</b>	<b>999.66</b>


Place: Chennai  
Date: 25-04-2023

  
Director

  
Director



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


  



K.Sekar  
PARTNER  
Membership No. 028562  
UDIN: 23028562BGVS2V5598

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2023**

	Note No.	₹ in Lakhs	
		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>REVENUE</b>			
Revenue from operations	18.1	6,282.43	4,582.64
Other income	18.2	27.16	0.81
<b>Total income</b>		<b>6,309.59</b>	<b>4,583.45</b>
<b>EXPENSES</b>			
Employee benefits expense	19	4,715.65	3,793.52
Finance costs	20	22.29	2.57
Depreciation and amortization expense	3	285.32	44.45
Other expenses	21	450.39	589.04
<b>Total expenses</b>		<b>5,473.65</b>	<b>4,429.58</b>
<b>Profit before exceptional item and tax</b>		<b>835.94</b>	<b>153.87</b>
Add : Exceptional item (Interest income on Income tax refund)			-
<b>Profit before tax</b>		<b>835.94</b>	<b>153.87</b>
<b>Tax expense</b>			
Current tax expense		200.18	63.01
Deferred tax		-2.55	-8.43
<b>Net tax expense</b>		<b>197.64</b>	<b>54.57</b>
<b>Profit for the period</b>		<b>638.30</b>	<b>99.30</b>
<b>Other comprehensive income</b>			
1 (a) Items that will not be reclassified to profit/(loss)		-28.49	9.01
(b) Income tax relating to items that will not be reclassified to profit/(loss)		6.71	-
<b>Total</b>		<b>-21.78</b>	<b>9.01</b>
<b>Total</b>		<b>-21.78</b>	<b>9.01</b>
<b>Total comprehensive income</b>		<b>616.53</b>	<b>108.31</b>
Earning per share -(on Rs. 100 per share)			
Basic (in Rs.)		61,715	10,842
Diluted (in Rs.)		61,715	10,842

Place: Chennai  
Date: 25-04-2023

  
Director

  
Director



As per our report of even date  
For ESSVEEYAR  
CHARTERED ACCOUNTANTS  
F.R.N:0008085



K.Sekar  
PARTNER  
Membership No. 028562  
UDIN: 23028562BGVSZV5598




ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED  
Cash Flow Statement for the year ended March 31, 2023

	₹ in Lakhs	
	For year ended March 31, 2023	For year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	835.94	153.87
Adjustments for :		
Depreciation and amortization expense	53.19	44.45
Rent Paid	-251.64	-
Provision For Gratuity & Leave Encashment	-	63.10
Actuarial valuation on Gratuity through OCI	-37.76	-
Assets written off	6.64	-
Excess of carrying costs over fair value of current investments	6.71	-
Net (gain) / loss on sale of fixed assets / scrapped	-	-0.12
Unrealized foreign exchange (gain) / loss (net)	-43.36	-
Interest on Deposits	-2.96	-0.64
Operating profit before working capital changes	<u>566.76</u>	<u>260.66</u>
Adjustments for :		
Decrease/(increase) in trade receivables	18.00	24.82
Decrease/(increase) in non current assets	-221.26	-
Decrease/(increase) in other current assets	-92.72	-44.07
(Decrease)/increase in other financial assets	10.96	-
(Decrease)/increase in trade payables	9.65	-76.10
(Decrease)/increase in other non-current financial liabilities	-	-
(Decrease)/increase in other current liabilities	106.10	58.75
(Decrease)/increase in provisions	93.69	-
Cash generated from operations:	<u>491.17</u>	<u>274.06</u>
Direct taxes/advance tax (paid)/refund (net)	-181.13	-63.01
Net cash flow from / (used in) operating activities	<u>(A) 310.04</u>	<u>211.06</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets:	-77.54	-64.50
Proceeds from sale of investments	-137.54	-117.00
Interest received	2.96	0.64
Disposal of Fixed Assets	0.82	1.31
Net cash flow from / (used in) investing activities	<u>(B) -211.30</u>	<u>-179.55</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance costs	-	-
Net cash flow from / (used in) financing activities	<u>(C) -</u>	<u>-</u>
Net increase/(decrease) in Cash and cash equivalents	<u>(A+B+C) 99.00</u>	<u>32.00</u>
Opening Cash and cash equivalents	242.60	211.10
Closing Cash and cash equivalents	<u>341.34</u>	<u>242.60</u>
Cash and cash equivalents at the end of the period comprises:		
Cheques, drafts on hand	0.00	0.00
Balances with banks		
In Current accounts	341.34	142.60
In Demand deposit accounts	-	100.00
Total	<u>341.34</u>	<u>242.60</u>



Place: Chennai  
Date: 25-04-2023

  
Director

  
Director



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

   
K. Sekur  
PARTNER

Membership No. 028562  
UDIN: 23028562BGVSZV5598



## **ENCORE I.T. SERVICES SOLUTIONS PVT LTD**

### **Notes forming part of financial statements**

#### **1. Company Overview**

Encore IT Services Solutions Private Limited was incorporated as a Private Ltd., company in the year 2009, is engaged in providing Information Technology services & solutions to the customers predominantly in USA. It is presently subsidiary of M/s. Sonata Software Ltd which holds 99.80% of its equity capital.

#### **2. Summary of Significant Accounting Policies:**

##### **a. Basis for Preparation of account:**

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

##### **b. Revenue Recognition**

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

##### **c. Expenditure**

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

##### **d. Property, Plant & Equipment**

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

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



e. Taxes on Income

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

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

f. Foreign Currency Translation

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

g. Terminal Benefits

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

h. Use of Estimates

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



ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED  
Notes forming part of financial statements  
3 - Property, Plant and Equipment

₹ in Lakhs

Particulars	Tangible Assets				Intangible Assets	Total
	Plant and equipments	Office equipments	Furniture and fixtures	Right-of-use leased assets	Softwares	
Gross carrying value (Deemed cost)						
As at April 1, 2021	304.11	37.86	10.08		45.61	397.65
Additions	64.43	0.07	-			64.50
Disposals	-1.31	-	-			-1.31
Translation difference	-	-	-			-
As at March 31, 2022	367.23	37.93	10.08		45.61	460.85
As at April 1, 2022	367.83	37.93	10.08	330.89	45.61	792.34
Additions/Deletions	67.22	10.32	-	683.43		760.97
Disposals	-	-	-	-	-	-
Asset written off	-34.85	12.25	-1.40	-330.89	17.85	-337.05
Reclassification	14.59	2.45	-	-	-19.42	-2.37
As at March 31, 2023	414.79	62.95	8.67	683.43	44.04	1,213.88
As at April 1, 2021	224.43	34.62	3.11		42.41	304.58
Depreciation for the year	39.00	1.29	0.96		3.20	44.45
Disposals	-0.60	-	-		-	-0.60
Translation difference	-	-	-		-	-
As at March 31, 2022	262.84	35.91	4.07		45.61	348.43
As at April 1, 2022	263.44	35.91	4.07	155.71	45.65	504.79
Depreciation for the year	44.43	11.11	-0.25	232.13	-2.11	285.32
Reclassification	-1.34	0.86	-0.25		-1.16	-1.89
Disposals	-	-	-	-330.89	-	-330.89
Translation difference	-	-	-		-	-
As at March 31, 2023	306.54	47.87	3.57	56.95	42.38	457.32
Net carrying value						
As at March 31, 2022	104.39	2.02	6.00	-	0.00	112.41
As at March 31, 2023	108.26	15.07	5.10	626.48	1.66	756.56

\* Represents reclassification of PPE done during the year

The rent payment was shown under Other expenditure till FY 2021-22. With the introduction of INDAS from the current year the same has been reclassified and brought under the schedule PPE. Hence no previous year figures would be available for the same.

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
4. Other non-current assets		
Unsecured, considered good		
Other deposits	0.04	0.04
Advance Tax	259.29	111.28
Other recoverables	73.25	-
Less : Allowance for doubtful recoverable	-	-
Total	332.58	111.32
5. Investments		
Non-trade (Quoted)		
Investments in mutual funds (Unquoted) - At lower of cost and fair value, unless		
Axis Money Market Fund Direct Growth	254.54	117.00
Axis Overnight Fund	-	-
Total	254.54	117.00



ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED  
Notes forming part of financial statements

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
<b>6. Trade receivables</b>		
Unsecured		
Considered good	-	18.00
Considered doubtful	-	18.00
Less : Allowances for credit losses	-	-
<b>Total</b>	<b>-</b>	<b>18.00</b>
<b>Movement in expected credit loss allowance</b>		
Balance at the beginning of the year	-	-
Movement in Expected Credit Loss allowance on Trade Receivables calculated at lifetime	-	-
Expected Credit Loss	-	-
Provision at the end of the year	-	-

Trade receivable ageing schedule

	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Year	More than 3 years	
Undisputed Trade Receivables - Considered Good							
As at March 31, 2023	-	-	-	-	-	-	-
As at March 31, 2022	-	18.00	-	-	-	-	18.00

\* include dues from related party

<b>7. Cash and cash equivalents</b>		
Cash on hand	0.00	0.00
Balances with banks		
In current accounts	341.34	142.60
In demand deposit accounts	-	100.00
<b>Total</b>	<b>341.34</b>	<b>242.60</b>
<b>8. Other financial assets</b>		
Security deposits	59.04	70.00
<b>Total</b>	<b>59.04</b>	<b>70.00</b>
<b>9. Other current assets</b>		
Prepaid expenses	38.83	31.15
Balances with government authorities		
GST credit receivable	349.19	266.44
Other recoverables	7.59	5.30
<b>Total</b>	<b>395.61</b>	<b>302.88</b>
<b>10. Equity share capital</b>		
Authorized		
5000 equity shares of ₹ 100/- each	5.00	5.00
Issued		
999 equity shares of ₹ 100/- each	1.00	1.00
Subscribed and paid-up		
999 equity shares of ₹ 100/- each	1.00	1.00

a. Reconciliation of shares outstanding :

	31ST MARCH 2023		31ST MARCH 2022	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
At the beginning of the period	999	-	1,000	-
Addition during the period	-	-	-	-
Deduction during the period	-	-	1	-
<b>Outstanding at the end of the period</b>	<b>999</b>	<b>-</b>	<b>999</b>	<b>-</b>
Face Value of the Share ( in Rs.)	100		100	

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

	31ST MARCH 2023		31ST MARCH 2022	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Sonata Software Limited	998.00	99.80	998.00	99.80

c. Promoter's Shareholding:

Promoter name	Shares held by promoters at the end of the year		% Change during the year
	No. of Shares	% of total shares	
Sonata Software Limited	998	99.80	-



ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED  
Notes forming part of financial statements

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
--	-------------------------	-------------------------

11. Other equity

<b>Retained earnings</b>		
Opening balance	666.81	558.50
Profit for the period	616.53	108.31
Interim Dividend Paid	300.00	-
Income Tax/adjustments of Earlier Year	11.89	-
<b>Closing balance</b>	<b>971.45</b>	<b>666.81</b>

Retained earnings comprises of the amounts that can be distributed by the company as dividends to its equity share holders

**Other Comprehensive Income**

**Remeasurement of the defined benefit plans**

Opening balance

Actuarial gain or (losses) on gratuity benefit are recognised in other comprehensive income.

**Closing balance**

MTM valuation

**Total**

	-	-
	-10.81	-
<b>Total</b>	<b>960.64</b>	<b>666.81</b>

12. Other financial liabilities

Lease Liability	624.79	-
Exports (Forward Cover)	22.09	-
<b>Total</b>	<b>646.88</b>	<b>-</b>

13. Trade payables

Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	35.47	25.83
<b>Total</b>	<b>35.47</b>	<b>25.83</b>

Trade Payable ageing schedule

	Outstanding for the following period from due date of payments						Total
	Unbilled	Not Due	Less than 1 Year	1-2 Years	2-3 Year	More than 3 years	
(i) As at March 31, 2023							
MSME	-	-	-	-	-	-	-
Others	-	-	35.47	-	-	-	35.47
<b>Total</b>	-	-	<b>35.47</b>	-	-	-	<b>35.47</b>
(ii) As at March 31, 2022							
MSME	-	-	-	-	-	-	-
Others	-	-	25.83	-	-	-	25.83
<b>Total</b>	-	-	<b>25.83</b>	-	-	-	<b>25.83</b>

14. Other current liabilities

Advance from related Party	3.79	-
Gratuity payable (net)	57.36	-
Statutory remittances	83.42	38.48
<b>Total</b>	<b>144.58</b>	<b>38.48</b>

15. Provisions

Provision for employee benefits - Compensated absences	39.16	27.54
Provision for Bonus	140.95	177.00
<b>Total</b>	<b>180.11</b>	<b>204.54</b>

16. Current tax liabilities (net)

Provision for tax	200.18	63.01
<b>Total</b>	<b>200.18</b>	<b>63.01</b>

17. Deferred tax Asset/ LIABILITY:

Opening Balance	25.44	7.99
Add: Asset Created for 2022-23	3.75	17.45
<b>Total</b>	<b>29.19</b>	<b>25.44</b>



**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
Notes forming part of financial statements

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>18.1. Revenue from operations</b>		
Revenue from software services	6,282.43	4,582.64
Other operating revenues	-	-
<b>Total</b>	<b>6,282.43</b>	<b>4,582.64</b>
<b>18.2. Other income</b>		
Interest		
from fixed deposits/margin money with banks	2.96	0.64
Provision no longer required written back	19.17	-
Profit & Loss on Sale of investments	2.09	0.12
Net gain on excess of fair value over carrying costs of current investments	2.95	0.06
<b>Total</b>	<b>27.16</b>	<b>0.81</b>
<b>19. Employee benefits expense</b>		
Salaries, wages, bonus and allowances (Including directors remuneration)	4,582.32	3,626.78
Contributions to provident and other funds	105.10	128.33
Staff welfare expenses	28.24	38.40
	<b>4,715.65</b>	<b>3,793.52</b>
Deputation cost/Service charges from holding company		
<b>Total</b>	<b>4,715.65</b>	<b>3,793.52</b>
<b>20. Finance costs</b>		
Interest expenses on:		
Others	0.05	2.57
Lease rental discounted	22.24	-
<b>Total</b>	<b>22.29</b>	<b>2.57</b>
<b>21. Other expenses</b>		
Power and fuel	24.80	11.85
Rent	-	251.64
Repairs and maintenance - machinery	10.37	7.76
Insurance	57.83	32.25
Rates and taxes	1.24	-
Communication cost	27.16	29.88
Facility maintenance	51.19	59.12
Travelling and conveyance expenses	13.25	14.51
Professional and technical fees	33.38	50.38
Insourcing professional fees	134.40	89.83
Payments to auditors	0.75	0.75
Net loss/(gain) on foreign currency transactions and translations	40.76	-
Miscellaneous expenses	55.26	41.07
<b>Total</b>	<b>450.39</b>	<b>589.04</b>



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**  
Notes forming part of financial statements

**22 Commitments**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

**23 Contingent Liability**

a) Rs. 1.27 Crores disputed tax demand (Previous year Rs 1.27 Crores)

The Income tax department had raised a demand on the company arising out of the Transfer pricing adjustment for the financial year 2015-16 for Rs.1.27 Crores. The said order is being contested before the First Appellate authorities. The Consultant have advised that the company has a fair chance of winning the appeal. Hence no Provision is made in the books. The Company had paid a sum of Rs.25.36 lakhs as pre deposit for the said appeal.

**24 Refund of ITC - GST**

The company had applied for refund of GST Input tax credit as under:-

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

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

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

**26 Financial instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Note No.	Carrying Value		Fair Value	
		As at	As at	As at	As at
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial assets</b>					
<b>Amortised Cost</b>					
Loans - Inter-corporate deposits	6.5	-	-	-	-
Security Deposits	5 & 6.6	59.08	70.04	59.08	70.04
Trade receivable	6.2	-	18.00	-	18.00
Cash and cash equivalents	6.3	341.34	242.60	341.34	242.60
Bank balances other than Cash & cash equivalents	6.4	-	100.00	-	100.00
Other financial assets	4.2 & 6.6	-	-	-	-
<b>FVTPL</b>					
Investment in Mutual Fund (quoted)	6.1	254.54	117.00	254.54	117.00
Forward Contracts	6.6	-	-	-	-
Investment in Preference Shares (unquoted)	4.1	-	-	-	-
<b>FVTOCI</b>					
Forward Contracts	6.6	-	-	-	-
<b>Total Assets</b>		<b>654.96</b>	<b>547.64</b>	<b>654.96</b>	<b>547.64</b>
<b>Financial liabilities</b>					
<b>Amortised Cost</b>					
Trade payables	11	35.47	25.83	35.47	25.83
Other financial liabilities - Lease Rent	10 & 12	646.88	182.40	646.88	182.40
<b>FVTPL</b>					
Forward Contracts	10	-	-	-	-
Payable for acquisition of business - contingent consideration	10	-	-	-	-
<b>FVTOCI</b>					
Forward Contracts	10	-	-	-	-
<b>Total Liabilities</b>		<b>682.35</b>	<b>208.23</b>	<b>682.35</b>	<b>208.23</b>





**ENCORE I.T. SERVICES SOLUTIONS PVT LTD****Notes forming part of financial statements**

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

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

The following methods and assumptions were used to estimate the fair values:

1. The fair value of the quoted mutual funds are based on price quotations at reporting date. The fair value of other financial liabilities and other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.
2. The fair values of the unquoted equity and preference shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates whose range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
3. The Company enters into derivative financial instruments with Banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of banks, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2022, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

**27 Fair value hierarchy**

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

(i) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities are as under:

Particulars	Fair value as at		Fair value hierarchy	Valuation technique and Key inputs
	As at March 31, 2023	As at March 31, 2022		
Investment in Mutual funds	255	117	Level 1	Fair value is determined based on the Net asset value published by respective funds.
Foreign currency forward contracts	-	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the reporting date.
Other financial liabilities	-	-	Level 3	Payable for acquisition of subsidiary is a financial liability.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

(ii) Reconciliation of fair value measurement of investment in unquoted preference shares classified as FVTPL (Level 3):

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Opening balance	-	-
Remeasurement recognised	-	-
Purchases	-	-
Sales	-	-
Closing balance	-	-

**Derivative financial instruments**

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Company uses derivatives to hedge foreign currency assets/ liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**

**Notes forming part of financial statements**

**28 Financial Risk management**

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

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

**Credit risk**

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

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers (excluding Inter-company):

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Revenue from top customer	6,282.4	4,582.6
Revenue from top 5 customers		

(₹ in Lakhs)

One customer accounted for 100% of the Revenue & Receivable of the company, for 31st March 2023 & 31st March 2022.

**Investments**

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

**Liquidity risk**

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

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

The working capital position of the Company is given below:

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash and cash equivalents	341.343	242.603
Bank balances other than Cash & cash equivalents	-	100
Investments in mutual funds (quoted)	255	117
Inter Corporate deposits with subsidiary	-	-
Trade receivables	-	18
Other financial assets	-	-
Other current assets	396	303

(₹ in Lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 and March 31, 2022:

Particulars	As at March 31, 2023		
	Less than 1 year	1-2 years	2 years & above
Trade payables	35	-	-
Other financial liabilities	647	-	-
Lease liabilities	-	-	-

Particulars	As at March 31, 2022		
	Less than 1 year	1-2 years	2 years & above
Trade payables	26	-	-
Other financial liabilities	182	-	-
Lease liabilities	-	-	-

**Foreign Currency risk**

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



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**

**Notes forming part of financial statements**

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

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

**29 Capital management**

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

The capital structure of the company consists of the following:

Particulars	[₹ in Lakhs]	
	As at March 31, 2023	As at March 31, 2022
Total equity attributable to the equity share holders of the Company	0.999	0.999
As percentage of total capital	100%	100%
Current borrowings	-	-
As a percentage of total capital	-	-
<b>Total capital (borrowings and equity)</b>	<b>0.999</b>	<b>0.999</b>

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

**30 Employee benefit plans**

**i) Defined contribution plans**

**a) Provident fund**

Eligible employees of Encore IT Services Solutions P. Limited receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company is making payment of both the employee contribution and the employer contribution as per the PF Scheme under EPF and EPS schemes on a monthly basis.

Provident fund contributions amounting to ₹ 229 lakhs has been charged to the Statement of Profit and Loss (as part of Contribution to Provident Fund and other Funds in Note 18 Employee benefits expense).

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

	[₹ in Lakhs]	
	Year ended March 31, 2023	Year ended March 31, 2022
Employee's State Insurance (as part of Staff welfare expenses in Note 18 Employee benefits expense)	0.70	0.07
Superannuation (as part of Contribution to Provident Fund and other Funds in Note 18 Employee benefits expense)	-	-
National Pension Scheme (as part of Contribution to Provident Fund and other Funds in Note 18 Employee benefits expense)	-	-
National Insurance Contribution (as part of Contribution to Provident Fund and other Funds in Note 18 Employee benefits expense)	-	-

**ii) Defined benefit plans - Gratuity**

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

	March 31, 2023	March 31, 2022
Discount rate(s)	7.45%	6.73%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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

	[₹ in Lakhs]	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Service Cost:</b>		
Current Service Cost	38	30
Net Interest Expense	4.27	0.41
<b>Components of defined benefit costs recognised in profit or loss</b>		



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**

Notes forming part of financial statements

Remeasurement on the net defined benefit liability:

Return on plan assets (excluding amounts included in net interest expense)	3.96	-
Actuarial (gains) / losses arising from changes in financial assumptions	24.53	32.20
Actuarial (gains) / losses arising from experience adjustments	-	-
Actuarial (gains) / losses arising from Demographic adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	28	32

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

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

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

Particulars	[₹ in Lakhs]	
	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	198.00	152.55
Fair value of plan assets	141.00	146.43
Net (liability) / Assets arising from defined benefit obligation	339	299

Movements in the present value of the defined benefit obligation are as follows.

	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	152.55	81.49
Current service cost	29.95	49.18
Interest cost	0.41	-
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	28.49	-
Actuarial gains and losses arising from experience adjustments	(5.78)	32.20
Actuarial (gains) / losses arising from Demographic adjustments	-	-
Benefits paid	(7.62)	(10.32)
Closing defined benefit obligation	198	153

Movements in the fair value of the plan assets are as follows.

	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	-	-
Interest income	146	-
Return on plan assets (excluding amounts included in net interest expense)	10	-
Contributions from the employer	(4)	146
Benefits paid	(1.1)	-
Closing fair value of plan assets	141	146

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

Particulars	As at	
	March 31, 2023	March 31, 2022
Insurer Managed Funds		
Category of funds :		
Secure Fund	100.00%	100.00%
Defensive Fund		
Balanced Fund		
Stable Fund		

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.87)	13.45	(9)	11
Future salary growth (1% movement)	13.60	(12.74)	11	(10)

The Company expects to contribute ₹ 95.77 lakhs to its defined benefit plans during the next fiscal year.

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

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

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



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**

Notes forming part of financial statements

Experience adjustments

Particulars

Particulars	(₹ in Lakhs)				
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	198	(153)	NA	NA	NA
Fair value of plan assets	141	146	NA	NA	NA
Surplus / (deficit)	(57)	299	NA	NA	NA
Experience adjustments on plan liabilities - (gain)/losses	(6)	32	NA	NA	NA
Experience adjustments on plan assets - (losses)/gain	10		NA	NA	NA

Maturity profile of defined benefit obligation:

Particulars

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Within 1 year	22	18
1-2 years	19	15
2-3 years	20	15
3-4 years	24	15
4-5 years	19	17
5 years and Above	88	64

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

**31 Share-based payments**

**a) Employee share option plan of the Company**

There is no stock option plan for the employees of the company.

**b) Other Stock Based Compensation Arrangements**

Nil

**32 Segment reporting**

The Company operates in one segment & turnover is also in one country. Hence segment reporting is not applicable.

**33 Consolidation of Employee Welfare Trust**

The welfare trust is managed by the holding company & hence consolidation is not applicable

**34 Corporate Social Responsibility**

The Company for the financial year ended 31/03/2023 is not mandated to spend for CSR activities

(i) Gross amount required to be spent by the Company during the year is Nil

(ii) Amount spent during the year is Nil lakhs (Previous year is Nil)

(iii) Amount unspent is Nil.

**35 Earnings Per Share**

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

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the period	999	999	999	999
Weighted average number of equity shares for calculation of earning per share	999	999	999	999

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

**37 Distributions made and proposed :**

The Board of Directors at their meeting held on January 19, 2023 had declared an interim dividend of 300.30% (₹ 30,030 per equity share of par value of ₹ 100 each).

The amount distributed as interim dividend is Rs.3 Crores



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**  
Notes forming part of financial statements

38 The table below provides details regarding the ageing of trade payables as at March 31, 2023:

Particulars	Outstanding for the following period from due date of payments:*					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME						0
(ii) Others		35.47				35
(iii) Disputed dues MSME						0
(iv) Disputed dues Others						0

The table below provides details regarding the ageing of trade payables as at March 31, 2022

Particulars	Outstanding for the following period from due date of payments:*					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME						0
(ii) Others		25.83				26
(iii) Disputed dues MSME						0
(iv) Disputed dues Others						0

\* In the absence of due date of payment, above disclosure to be provided from the date of the transaction.

39 The table below provides details regarding the utilization of borrowed funds and share premium (Diversion of funds)

Particulars	For the FY 2022-2023		For the FY 2021-2022	
	Borrowed funds	Share premium	Borrowed funds	Share premium
Date	0	0	0	0
Amount	0	0	0	0
Intermediary	0	0	0	0
Ultimate Beneficiary	0	0	0	0

40 The table below provides details regarding ageing for Capital Work-In-Progress and Intangibles Assets Under Development as at March 31, 2023

CWIP/ IAUD	Amount in CWIP / IAUD for a period of				Total*
	Less than 1 Year	1-2 years	2-3 years	More than 3 year	
Project in progress					0
Projects temporarily suspended					0

The table below provides details regarding ageing for Capital Work-In-Progress and Intangibles Assets Under Development as at March 31, 2022

CWIP/ IAUD	Amount in CWIP / IAUD for a period of				Total*
	Less than 1 Year	1-2 years	2-3 years	More than 3 year	
Project in progress					0
Projects temporarily suspended					0

\*Total should tally with CWIP shown on balance sheet.

41 The table below provides details regarding the Loans or advances to promoters, KMPs or related parties in the nature of loans either repayable on demand or having no terms or period of repayment, amount, proportion

Type of Borrower	For the FY 2022-2023			For the FY 2021-2022		
	Amount of loan or advance	Percentage to the total Loans and Advances	Period of Repayment	Amount of loan or advance	Percentage to the total Loans and Advances	Period of Repayment
Promoter	0	0	0	0	0	0
Director	0	0	0	0	0	0
KMPs	0	0	0	0	0	0
Individual Related Parties	0	0	0	0	0	0

42 The table below provides details regarding relationship with struck-off companies

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Balance outstanding as on 31st March 2023	Balance outstanding as on 31st March 2022
	Investments in securities		0	0
	Receivables		0	0
	Payables		0	0
	Shares held by struck off company		0	0
	Other outstanding balances (to be specified)		0	0

43 The table below provides details regarding ratios

Financial Ratios	For the FY 2022-2023	For the FY 2021-2022
Current ratio	1.94	2.12
Debt-equity ratio**	-	0
Debt service coverage ratio**	-	0
Return on equity ratio	0.81	0.15
Trade receivable turnover ratio	598.04	150.68
Trade payable turnover ratio	204.99	176.15
Net capital turnover ratio	12.34	15.08
Net profit ratio	11%	2%
Return on capital employed	0.51	0.21
Return on investment	0.52	0.2

\*\*Companies act suggesting that Lease liability to be included in the definition of "Debt".



**ENCORE I.T. SERVICES SOLUTIONS PVT LTD**  
Notes forming part of financial statements

**44. Related party disclosure**

**i) Details of related parties :**

**Description of relationship**

- a) Holding Company
- (b) Associate Company
- (c) Key Management Personnel (KMP)
- (d) Directors

**Names of related parties**

- Sonata Software Limited
- Encore Software Services Inc. USA
- Mr. Kandasamy Sankaran - Director
- : Mr. Kandasamy Sankaran
- : Mr. Hemant Kumar Bhardwaj
- : Mr. Jagannathan CN

**ii) Transactions with related parties :**

(₹ in Lakhs)

Particulars	Holding Company		Associate Company		KMP		Directors	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue			6282.43	4582.64	NA	NA	NA	NA
Trade Receivable			-	18.00 (Dr)	NA	NA	NA	NA
Remuneration			NA	NA	50.93	49.44	NA	NA
Ex-gratia			NA	NA	-	33.30	0.00	20
Sitting Fees			NA	NA	NA	NA	0.00	0.4
Payable to KMP- exgratia payable			NA	NA	33.30 (Cr)	33.30 (Cr)	NA	NA
Payable to Directors - Murali P Bhaskar(resigned in 21-22)			NA	NA	NA	NA	NA	0.88 (Cr)
Outstanding as on 31/03/2023			3.79					
Interim Dividend to Holding Company	300	0	NA	NA	NA	NA	NA	NA

Place : Chennai  
Date: 25-04-2023

For and on behalf of the Board of Directors



Kandasamy Sankaran  
Director



Jagannathan Chakravarthi Narasimhan  
Director



For ESSVEEYAR  
CHARTERED ACCOUNTANTS  
F.R.N:0000005



K. Sekar  
PARTNER  
Membership No. 028562  
UDIN: 23028562BGVSZV5598



## **INDEPENDENT AUDITOR’S REPORT**

To the Members of **Quant Cloud Solutions Private Limited**  
**Report on the Audit of the Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of **Quant Cloud Solutions Private Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements” section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India (“ICAI Code of Ethics”) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the Ind AS financial statements and our auditor’s report thereon.

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

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



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

### **Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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.

- The Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide Notification No. G.S.R. 583 (E) dated 13<sup>th</sup> June, 2017 issued by Ministry of Corporate Affairs, Government of India. Hence, we are not expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - iii. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- iv. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- v. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- vi. Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide Notification No. G.S.R. 583 (E) dated 13<sup>th</sup> June, 2017 issued by Ministry of Corporate Affairs, Government of India;
- vii. In our opinion, as the Company is a Private Limited Company provisions of section 197 of the act with regard to the managerial remuneration read with Schedule V to the act are not applicable to the Company;
- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has no pending litigations which impact its financial position as at the date of the balance sheet;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - d.
    - i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

- iii. In our opinion and based on the audit procedures conducted by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- e. During the year the company has not declared any dividend.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Kammela& Associates  
Chartered Accountants  
(Firm's Registration No. 012195S)

Place: Hyderabad  
Date: 29<sup>th</sup> May 2023

CA NagarajuKammela  
Partner  
Membership No.219169  
UDIN:23219169BGXLUX2203

## **Annexure - 1 to Independent Auditors' Report**

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements** of the Independent Auditors' Report of even date to the members of Quant Cloud Solutions Private Limited on the Ind AS financial statements for the year ended March 31, 2023.

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company is maintaining proper records showing full particulars of intangible assets.
- (b) The Management has designed a programme for physical verification of Property, Plant and Equipment to cover all the assets once in a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the management has physically verified all the Property, Plant and Equipment during the previous year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Ind AS financial statements are held in the name of the company .
- (d) As the Company is following cost model for recording the Property, Plant and Equipment (including Right of Use assets) and the company has not revalued its Property, Plant and Equipment (including Right of Use assets). Accordingly, paragraph 3(i)(d) of the order is not applicable to the company.
- (e) Neither any proceedings have been initiated nor pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the order doesn't arise.
- (ii) (a) The Company does not hold any inventory. Therefore, the provisions of paragraph 3(ii)(a) of the order are not applicable.

(b) The company has not been sanctioned working capital limits from banks or financial institutions. Hence, paragraph 3 (ii) (a) of the order is not applicable.

- (iii)** During the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, Paragraph 3(iii) of the order is not applicable to the company.
- (iv)** The Company has not given any loans, or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Hence, reporting under paragraph 3(iv) of the order doesn't arise.
- (v)** The Company has not accepted any deposits within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed thereunder and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal against the Company. Hence, reporting under paragraph 3(iv) of the order doesn't arise.
- (vi)** As the Company is a small enterprise as per the criteria under sub-section (9) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 maintenance of cost records pursuant to the rules made by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company for the year under report.
- (vii)** **(a)** **(A)** Undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited by the company with the appropriate authorities.
- (B)** There were no undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b)** In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, there are no statutory dues which have not been deposited on account of any dispute and outstanding as on 31 March, 2023.
- (viii)** This clause is not applicable to the company as there were no transactions to be recorded in the books which were either surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)** **(a)** The Company has not availed loans or other borrowings from bank, financial institutions, Government and other lenders. Accordingly, reporting under paragraph 3(ix)(a) of the order is not applicable.

- (b)** We report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c)** The company has not obtained money by way of term loans during the year. Hence, reporting under paragraph 3(ix)(c) of the order doesn't arise.
- (d)** During the year on an overall examination of the financial statements of the company, we report that the company has not raised any funds on short term basis. Hence, reporting under paragraph 3(ix)(d) of the order doesn't arise.
- (e)** We report that the company has no subsidiaries, associates or joint ventures. Hence, reporting regarding taking of funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures doesn't arise.
- (f)** We report that the company has no subsidiaries, associates or joint ventures. Hence, reporting regarding raising of loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies doesn't arise.
- (x)** **(a)** The Company has not raised any moneys by way of initial public offer / further public offer (including debt instruments) and term loans. Hence, reporting under paragraph 3(x)(a) of the order doesn't arise.
- (b)** The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under paragraph 3(x)(b) of the order doesn't arise.
- (xi)** **(a)** We have neither come across any instance of fraud by the Company or on the Company, noticed or reported during the year, nor we have been informed of any such case by the Management.
- (b)** We have not filed any report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c)** Establishment of whistle-blower mechanism is not mandatory to the company. As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii)** The Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to it. Hence, the provisions of paragraph 3(xii) (a), 3(xii) (b) and 3(xii) (c) of the Order are not applicable to the Company.

- (xiii)** The transactions by the Company with related parties are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the notes to the financial statements as required under Indian Accounting Standard (Ind AS) 24 “Related Party Disclosures” specified under Section 133 of the Act.
- (xiv)** In our opinion and based on our examination, the company is not required to have an internal audit system as per provisions of the Companies Act, 2013 and it does not have an internal audit system. Accordingly, the provisions of paragraph 3(xiv) (a) and 3(xiv) (b) of the Order are not applicable to the Company
- (xv)** During the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) (a)** Neither the company’s financial assets constitute more than 50 per cent of the total assets nor income from financial assets constitute more than 50 per cent of the gross income. Accordingly, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of paragraph 3(xvi) (a) of the Order are not applicable to the Company.
- (b)** The company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, the provisions of paragraph 3(xvi) (b) of the Order are not applicable to the Company.
- (c)** As the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, the provisions of paragraph 3(xvi) (c) of the Order are not applicable to the Company.
- (d)** According to the information and explanation given to us and as represented by the management, the Group has more than one Core Investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) (CIC) as part of the Group. There are six CIC forming part of the Group.
- (xvii)** The company has not incurred cash losses during the current financial year and immediately preceding financial year respectively.
- (xviii)** There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable to the Company.
- (xix)** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of



Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is no assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) The company's net worth is less than rupees five hundred crore, turnover less than rupees one thousand crore and net profit is less than rupees five crore during the immediately preceding financial year. Accordingly, provisions of section 135 of the Act are not applicable to the Company. Hence, paragraph 3 (xx) (a) and 3 (xx) (b) of the Order is not applicable to the Company.
- (xxi) As the Company has no investments in subsidiaries, joint ventures or associate companies consolidation of financial statements is not applicable. Accordingly, paragraph 3 (xxi) of the Order is not applicable to the Company.

For Kammela & Associates  
Chartered Accountants  
(Firm's Registration No. 012195S)

Place: Hyderabad  
Date: 29<sup>th</sup> May 2023

CA Nagaraju Kammela  
Partner  
Membership no. 219169  
UDIN: 23219169BGXLUX2203

**Quant Cloud Solutions Private Limited**  
**Balance Sheet as at March 31, 2023**

(All amounts in INR Lakhs unless stated otherwise)

Particulars	Note	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>ASSETS</b>				
<b>Non current assets</b>				
Property, plant and equipment	2	40.24	0.17	0.21
Capital work-in-progress	2	2,533.27	-	-
Right of use assets		198.45	146.74	-
Deferred tax assets (net)	3	10.80	2.72	0.02
Other Non-current financial assets	4	83.97	13.01	17.28
<b>Total non-current assets</b>		<b>2,866.74</b>	<b>162.65</b>	<b>17.51</b>
<b>Current assets</b>				
Trade receivables	5	59.10	-	-
Cash and cash equivalents	6	0.78	593.45	13.76
Other current assets	7	109.12	27.34	-
<b>Total current assets</b>		<b>169.00</b>	<b>620.79</b>	<b>13.76</b>
<b>Total assets</b>		<b>3,035.74</b>	<b>783.44</b>	<b>31.27</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	8	90.83	22.19	1.00
Other equity	9	2,578.61	591.56	26.78
<b>Total equity</b>		<b>2,669.44</b>	<b>613.75</b>	<b>27.78</b>
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
<b>Financial liabilities</b>				
Lease liabilities	10	61.89	141.66	-
Other financial liabilities				
Provisions	11	10.75	-	-
<b>Total non current liabilities</b>		<b>72.63</b>	<b>141.66</b>	<b>-</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Lease liabilities	10	134.74	15.50	-
Trade and other Payables	12			
(A) total outstanding dues of micro enterprises and small enterprises		-	-	-
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		-	4.09	-
Other current financial liabilities	13	23.18	0.50	0.25
Other current liabilities	14	49.27	3.45	0.12
Income tax liabilities (net)	15	74.48	4.48	3.12
Provisions	16	11.99	-	-
<b>Total current liabilities</b>		<b>293.67</b>	<b>28.02</b>	<b>3.49</b>
<b>Total equity and liabilities</b>		<b>3,035.74</b>	<b>783.44</b>	<b>31.27</b>

The accompanying notes form an integral part of the Standalone financial statements  
In terms of our report attached

**For Kammela & Associates**  
Firm Registration No.: 012195S  
Chartered Accountants

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

**CA Nagaraju Kammela**  
Partner  
Membership no.219169  
Date:Hyderabad  
Place: 29th May 2023

**Sujit Mohanty**      **Jagannathan C N**  
Director                      Director  
DIN: 00001404          DIN:08255902

**Quant Cloud Solutions Private Limited**

CIN - U80221MH2007PTC336458

**Statement of Profit or Loss and Other Comprehensive Income for the year ended March 31, 2023**

(All amounts in INR Lakhs unless stated otherwise)

<b>Particulars</b>	<b>Note</b>	<b>Year ended March 31,2023</b>	<b>Year ended March 31,2022</b>
Revenue from operations	17	1,698.88	589.07
Other income	18	20.87	0.50
<b>Gross Profit</b>		<b>1,719.75</b>	<b>589.57</b>
<b>Expenses</b>			
Employee benefits expense	19	1,270.85	520.10
Finance cost	20	22.41	18.01
Depreciation and amortisation expenses	21	116.09	24.50
Other expenses	22	93.44	28.27
<b>Operating Profit</b>		<b>216.97</b>	<b>(1.31)</b>
<b>Income Tax expense</b>	3		
Current tax		74.48	4.48
Deferred tax charge/(credit)		(8.08)	(2.71)
<b>Total tax expenses</b>		<b>66.41</b>	<b>1.77</b>
<b>Profit/(loss) for the period</b>		<b>150.56</b>	<b>(3.08)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive loss for the period</b>		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>150.56</b>	<b>(3.08)</b>
<b>Earnings per share (in INR):</b>	23		
(a) Basic		18.30	(27.58)
(b) Diluted		18.30	(27.58)

The accompanying notes form an integral part of the Standalone financial statements  
In terms of our report attached

**For Kammela & Associates**  
Firm Registration No.: 012195S  
Chartered Accountants

**CA Nagaraju Kammela**  
Partner  
Membership no.219169  
Date:Hyderabad  
Place: 29th May 2023

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

**Sujit Mohanty**      **Jagannathan C N**  
Director                      Director  
DIN: 00001404              DIN:08255902

**Quant Cloud Solutions Private Limited**  
**Statement of changes in equity for the year ended March 31, 2023**

*(All amounts in INR Lakhs unless stated otherwise)*

**Attributable to the equity holders of the company**

<b>Particulars</b>	<b>Issues Shared Capital</b>	<b>Retained earnings</b>	<b>Securities premium</b>	<b>Total other equity</b>
<b>Balance as at March 31, 2021</b>	<b>1.00</b>	<b>26.78</b>	<b>-</b>	<b>27.78</b>
Profit for the year	-	(3.08)	-	(3.08)
Issue of share capital	21.19	-	567.86	589.05
<b>Balance as at March 31, 2022</b>	<b>22.19</b>	<b>23.70</b>	<b>567.86</b>	<b>613.75</b>
Profit for the period	-	150.56	-	150.56
Issue of share capital	68.65	-	1,836.49	1,905.13
<b>Balance as at March 31, 2023</b>	<b>90.83</b>	<b>174.26</b>	<b>2,404.34</b>	<b>2,669.44</b>

The accompanying notes form an integral part of the Standalone financial statements  
In terms of our report attached

**For Kammela & Associates**  
Firm Registration No.: 012195S  
Chartered Accountants

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

**CA Nagaraju Kammela**  
Partner  
Membership no.219169  
Date:Hyderabad  
Place: 29th May 2023

**Sujit Mohanty**  
Director  
DIN: 00001404

**Jagannathan C N**  
Director  
DIN:08255902

**Quant Cloud Solutions Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2023**

(All amounts in INR Lakhs unless stated otherwise)

Particular	Year ended March 31,2023	Year ended March 31,2022
<b>A. Cash flow from operating activities</b>		
Profit before tax	216.97	(1.31)
<b>Adjustments</b>		
Interest income on related party & security deposit	(4.17)	(0.50)
Interest on lease liabilities	21.96	17.15
Depreciation and amortisation expenses	116.09	24.50
<b>Operating profit before working capital changes</b>	<b>350.84</b>	<b>39.84</b>
Adjustment for decrease/(increase) in operating assets		
Changes in other financial assets	(66.79)	4.77
Changes in trade receivables	(59.10)	-
Changes in other assets	(81.78)	(27.34)
Adjustment for (decrease)/increase in operating liabilities		
Changes in provisions	22.74	-
Changes in trade and other payables	(4.09)	4.09
Changes in other financial liabilities	22.68	0.25
Changes in other liabilities	45.82	3.33
<b>Cash from operations</b>	<b>230.32</b>	<b>24.94</b>
Income tax paid	(4.48)	(2.12)
<b>Net cash from operating activities</b>	<b>225.84</b>	<b>22.83</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2,593.24)	(0.00)
<b>Net cash used in investing activities</b>	<b>(2,593.24)</b>	<b>(0.00)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	1,905.13	589.05
Repayment of lease liabilities	(130.39)	(31.19)
Interest paid	-	-
<b>Net cash from financing activities</b>	<b>1,774.74</b>	<b>557.86</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(592.66)</b>	<b>580.69</b>
Cash and cash equivalents at the beginning of the year	593.45	13.76
<b>Cash and cash equivalents at the end of the year</b>	<b>0.78</b>	<b>594.45</b>
	<b>Year ended</b>	<b>Year ended</b>
<b>Components of cash and cash equivalents</b>	<b>March 31,2023</b>	<b>March 31,2022</b>
Balances with scheduled banks:		
On current accounts	0.78	593.45
<b>Cash and cash equivalents (note 14)</b>	<b>0.78</b>	<b>593.45</b>

The accompanying notes form an integral part of the Standalone financial statements  
In terms of our report attached

**For Kammela & Associates**  
Firm Registration No.: 012195S  
Chartered Accountants

**For and on behalf of board of directors**

**CA Nagaraju Kammela**  
Partner  
Membership no.219169  
Date:Hyderabad  
Place: 29th May 2023

**Sujit Mohanty**  
Director  
DIN: 00001404

**Jagannathan C N**  
Director  
DIN:08255902

2 Property, plant and equipment

	Plant and machinery	Electrical Equipment	Computers	Furniture	Total Property, plant and equipment	Capital work-in-progress
<b>Gross block</b>						
<b>As at March 31,2021</b>	<b>0.55</b>	<b>0.11</b>	-	-	<b>0.66</b>	-
Additions during the year	-	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	-	-
<b>As at March 31,2022</b>	<b>0.55</b>	<b>0.11</b>	-	-	<b>0.66</b>	-
Additions during the year	4.14	-	54.74	1.09	59.97	2,533.27
Disposals/ Adjustments	-	-	-	-	-	-
<b>As at March 31,2023</b>	<b>4.69</b>	<b>0.11</b>	<b>54.74</b>	<b>1.09</b>	<b>60.63</b>	<b>2,533.27</b>
<b>Accumulated depreciaton</b>						
<b>As at March 31,2021</b>	<b>0.36</b>	<b>0.08</b>	-	-	<b>0.45</b>	-
Depreciation for the year	0.03	0.01	-	-	0.04	-
Disposals/ Adjustments	-	-	-	-	-	-
<b>As at March 31,2022</b>	<b>0.40</b>	<b>0.09</b>	-	-	<b>0.49</b>	-
Depreciation for the year	0.67	0.00	19.09	0.13	19.90	-
Disposals/ Adjustments	-	-	-	-	-	-
<b>As at March 31,2023</b>	<b>1.07</b>	<b>0.10</b>	<b>19.09</b>	<b>0.13</b>	<b>20.39</b>	-
<b>Net block</b>						
<b>As at March 31,2023</b>	3.62	0.01	35.65	0.96	40.24	2,533.27
As at March 31,2022	0.15	0.02	-	-	0.17	-
As at March 31,2021	0.19	0.02	-	-	0.21	-

**3 Income Tax****(a) Profit or loss section**

	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Current tax:</b>			
Current tax on profits for the period	74.48	4.48	-
<b>Total current tax expense</b>	<b>74.48</b>	<b>4.48</b>	-
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences	(8.08)	(2.71)	-
<b>Total deferred tax</b>	<b>(8.08)</b>	<b>(2.71)</b>	-
<b>Income tax reported in the statement of profit or loss</b>	<b>66.41</b>	<b>1.77</b>	-

**(b) The following are the deferred tax liability and assets recognised by the Company and movement thereon during the current year and prior year**

**Deferred tax assets**

Particulars	As at March 31, 2022	Charge/ (credit) to Statement of Profit and Loss	As at March 31, 2023
Property, plant and equipment	0.02	(0.62)	0.64
Leases	2.71	3.18	(0.47)
Disallowance under 43B of Income Tax Act, 1961	-	(4.73)	4.73
Employee benefit provisions	-	(5.91)	5.91
<b>Net Deferred tax assets</b>	<b>2.72</b>	<b>(8.08)</b>	<b>10.80</b>

Particulars	As at April 1, 2021	Charge/ (credit) to Statement of Profit and Loss	As at March 31, 2022
Property, plant and equipment	0.02	0.00	0.02
Leases	-	(2.71)	2.71
<b>Net Deferred tax assets</b>	<b>0.02</b>	<b>(2.71)</b>	<b>2.72</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**4 Other Financial assets****Other Non-current financial assets**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Carried at amortised cost</b>			
<b>Unsecured, considered good</b>			
Security deposits	83.97	13.01	17.28
<b>Total</b>	<b>83.97</b>	<b>13.01</b>	<b>17.28</b>

**5 Trade Receivables**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
(a) Unsecured, Considered Good			
Related Parties	59.10	-	-
<b>Total</b>	<b>59.10</b>	<b>-</b>	<b>-</b>

Trade receivables from related parties represents unbilled revenue of INR 59.10 (2022: Nil)

**6 Cash and cash equivalents**

**Quant Cloud Solutions Private Limited**
**Notes to financial statements for the year ended March 31, 2023**

(All amounts in INR Lakhs unless stated otherwise)

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 1, 2021
<b>Balances with banks</b>			
on current accounts	0.25	591.78	13.69
Cash on hand	0.54	1.67	0.07
<b>Total</b>	<b>0.78</b>	<b>593.45</b>	<b>13.76</b>

**7 Other current assets**

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 1, 2021
<b>Unsecured, considered good</b>			
Advances to employees	-	6.05	-
Advances to suppliers	14.80	14.32	-
Advances to others	-	-	-
Balances with statutory authorities	45.93	6.97	-
Prepaid expenses	48.38	-	-
<b>Total</b>	<b>109.12</b>	<b>27.34</b>	<b>-</b>

**8 Equity share capital**

Authorised share capital

Particulars	Equity shares	
	Numbers	Amount
<b>At 1 April 2021</b>	10,000	1.00
Increase / (decrease) during the year	990,000	99.00
<b>At 31 March 2022</b>	1,000,000	100.00
Increase / (decrease) during the year	-	-
<b>At 31 March 2023</b>	<b>1,000,000</b>	<b>100.00</b>

**Issued share capital**
**Equity shares of INR 10 each issued, subscribed and fully paid**

Particulars	Numbers	Amount
	<b>At 1 April 2021</b>	10,000
Increase / (decrease) during the year	211,887	21.19
<b>At 31 March 2022</b>	221,887	22.19
Increase / (decrease) during the year	686,450	68.65
<b>At 31 March 2023</b>	<b>908,337</b>	<b>90.83</b>

**a) Rights, preferences and restrictions attaching to equity shares including restriction attached on distribution of dividends.**

Equity Shares

The company has issued equity shares having par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution to all preferential amounts and preference share holders, in proportion to their shareholding.

Preference Shares

The Company has not issued any preference shares as at March 31, 2023.

**b) Shares held by the holding company**

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Qunat systems Inc	908,336	90.83	211,887	21.19



**Quant Cloud Solutions Private Limited**
**Notes to financial statements for the year ended March 31, 2023**

(All amounts in INR Lakhs unless stated otherwise)

## c) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Qunat systems Inc	908,336	90.83	211,887	21.19

## d) Shareholding of Promoters

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Pasham Ram Reddy	-	-	5,000	0.50
Pasham Swetha Reddy	-	-	5,000	0.50

**9. Other equity**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Retained earnings</b>			
Opening balance	23.70	26.78	19.57
Net profit for the period	150.56	(3.08)	7.21
<b>Closing balance (A)</b>	<b>174.26</b>	<b>23.70</b>	<b>26.78</b>
<b>Securities premium</b>			
Opening balance	567.86	-	-
Movement during the year	1,836.49	567.86	-
<b>Closing balance (B)</b>	<b>2,404.34</b>	<b>567.86</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>2,578.61</b>	<b>591.56</b>	<b>26.78</b>

**10. Lease liabilities (Non Current)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Non Current</b>			
Lease liabilities	61.89	141.66	-
<b>Current</b>			
Lease liabilities	134.74	15.50	-
<b>Total</b>	<b>196.63</b>	<b>157.16</b>	<b>-</b>

**11. Provisions (Non Current)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Gratuity	10.75	-	-
<b>Total</b>	<b>10.75</b>	<b>-</b>	<b>-</b>

**16. Provisions (Current)**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Leave encashment	11.74	-	-
Gratuity	0.26	-	-
<b>Total</b>	<b>11.99</b>	<b>-</b>	<b>-</b>

**Quant Cloud Solutions Private Limited****Notes to financial statements for the year ended March 31, 2023**

(All amounts in INR Lakhs unless stated otherwise)

**12. Trade and other Payables**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at April 1, 2021</b>
<b>Carried at amortised cost</b>			
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	4.09	-
<b>Total</b>	<b>-</b>	<b>4.09</b>	<b>-</b>

The Trade payable for the financial year ended March 31,2022 is less than 1 year

**13 Other current financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at April 1, 2021</b>
Other payables	5.00	0.50	0.25
Payable to employees	18.18		
<b>Total</b>	<b>23.18</b>	<b>0.50</b>	<b>0.25</b>

**14 Other current liabilities**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at April 1, 2021</b>
Advance for sale of assets	30.00	-	
Statutory liabilities	19.27	3.45	0.12
Share Application money pending allotment	-	0.00	-
<b>Total</b>	<b>49.27</b>	<b>3.45</b>	<b>0.12</b>

**15. Income tax liabilities (net)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at April 1, 2021</b>
Provision for income tax	74.48	4.48	3.12
<b>Total</b>	<b>74.48</b>	<b>4.48</b>	<b>3.12</b>

**17. Revenue from operations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consulting Income	1,698.88	589.07
<b>Total</b>	<b>1,698.88</b>	<b>589.07</b>

Consulting income includes unbilled revenue of INR 59.10(2022: Nil)

**18 Other income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on termination of lease	16.70	-
Interest income on unwinding of rent deposit	4.17	0.50
<b>Total</b>	<b>20.87</b>	<b>0.50</b>

**19. Employee benefit expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus	1,233.01	512.34
Gratuity expense	11.00	-
Leave encashment expenses	11.74	-
Staff welfare	15.10	7.76
<b>Total</b>	<b>1,270.85</b>	<b>520.10</b>

**20 Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank charges	0.45	0.86
Interest on lease liabilities	21.96	17.15
<b>Total</b>	<b>22.41</b>	<b>18.01</b>

**21. Depreciation and amortisation expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	19.90	0.04
Depreciation on right of use assets	96.19	24.46
<b>Total</b>	<b>116.09</b>	<b>24.50</b>

**22. Other expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Software Security Charges	2.68	-
Communication expenses	11.66	6.67
Recruitment expenses	13.74	2.29
Remuneration to auditors: Statutory audit	3.00	0.25
: Tax audit	1.50	-
: Certification	0.50	-
Printing and stationery	1.51	0.62
Electricity expenses	2.07	-
Donations	3.00	-
Insurance expenses	4.64	2.58
Legal and professional expenses	32.32	1.50
Rates and taxes	6.92	2.28
Repair and maintenance	5.47	3.77
Travelling and conveyance	4.36	7.11
Security expenses	-	1.20
Miscellaneous expenses	0.07	-
<b>Total</b>	<b>93.44</b>	<b>28.27</b>

**23. Earnings per share (EPS)**

<b>Earnings per equity share (in USD):</b>		
Basic	18.30	(27.58)
Diluted	18.30	(27.58)

**Basic earnings per share:**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the period	150.56	(3.08)
Earnings used in the calculation of basic earnings per share from continuing operations	150.56	(3.08)
Weighted average number of equity shares for the purposes of basic earnings per share	822,586	11,161

**Diluted earnings per share:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the period	150.6	(3.1)
Earnings used in the calculation of diluted earnings per share from continuing operations	150.6	(3.1)
Weighted average number of equity shares used in the calculation of diluted earnings per share	822,586	11,161

QUANT CLOUD SOLUTIONS PRIVATE LIMITED

CIN: U74900TG2015PTC099698

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR Lakhs unless stated otherwise)

24. Ratios of the Company

S No.	Ratio	Particulars		Ratio as on		% of Variance	Reason (If variation is more than 25%)
		Numerator	Denominator	31.03.2023	31.03.2022		
(a)	Current Ratio	Current Assets= Inventories + Trade Receivable + Cash & Cash Equivalents + Loans + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liability	0.58	22.15	-97.40%	On account of increased bank balance at the end of the financial year due to shares issued
(b)	Debt-Equity Ratio	Debt= long term borrowing and current maturities of long-term borrowings	Equity= Equity + Reserve and Surplus	The Company not availed any loans and this ratio is not applicable for current and previous year			
(d)	Return on Equity Ratio	Net Income= Net Profits after taxes	Shareholder's Equity	0.06	(0.01)	-1224.71%	During the year the operations of the company increased
(e)	Inventory Turnover Ratio	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	Being the company is the service industry this ratio is not applicable to the company			
(f)	Trade Receivables Turnover Ratio	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	57.49	-	100.00%	Balance represents unbilled revenue as on 31.03.2023
(g)	Trade Payables Turnover Ratio	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	-	-	0.00%	Company has no purchases
(h)	Net Capital Turnover Ratio	Revenue	Average Working Capital= Average of Current assets – Current liabilities	(13.63)	0.99	-1471.27%	Due to advance received for sale of assets
(i)	Net Profit Ratio	Net Profit	Net Sales	0.09	(0.01)	-1777.01%	During the year the operations of the company increased
(j)	Return on Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	(1.92)	0.03	-6913.47%	Due to advance received for sale of assets
(k)	Return on Investment	Net Profit	Net Investment= Net Equity	The company not made any investments during current and previous financial year			

**QUANT CLOUD SOLUTIONS PRIVATE LIMITED**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2023**

**1.1. Company Information**

Quant Cloud Solutions Private Limited ('the Company') was incorporated on 8th July 2015 as a private limited company and is primarily engaged in the business of providing data storage and data protection solutions, providing consultancy and training in the areas of data storage and protection. Also engaged in the business pertaining to information technology which includes software solutions, out sourcing, to deal in information technology software and hardware, providing professional training services, staffing, managed services.

**1.2. Basis of preparation**

"The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. For showing comparative figures of previous year, the financials for FY 2021-22 and opening balance sheet as on 1st April, 2021 have been re-drawn in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

As these are the Company's first standalone financial statements prepared in accordance with Ind AS, Ind AS 101 - First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Company"

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Rupee Lakhs, except when otherwise indicated.

**1.3 Summary of significant accounting policies**

**a. Use of estimates**

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including disclosure of contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

**b. Property, plant and equipment**

Property, plant and equipment ( PPE ) including land are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price and any attributable cost of bringing the

asset to its working condition for its intended use. Financing costs relating to acquisition of Property, plant and equipment which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction/erection period is capitalized as part of the construction/erection cost to the extent such expenditure is related to construction or is incidental thereto.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

#### Depreciation methods, estimated useful lives and residual value

Depreciation on tangible fixed assets is calculated on a written down value basis using the useful life of the assets prescribed under the schedule II of the companies act, 2013.

#### **c. Revenue recognition**

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **d. Taxes**

##### Current income tax

Provision is made for income tax liability estimated to arise on profit for the year at the current rate of tax in accordance with the Income tax Act, 1961, Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **e. Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **f. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cashflows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



## **g. Leases**

The company has applied Ind AS 116 "Leases" using the retrospective approach

### **As a lessee**

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment'.

### **Short-term leases and leases of low-value assets**

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of less than 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## **h. Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

## **i. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **(i) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **(ii) Defined employee benefit plans (Gratuity)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

## 25: First time adoption of Ind AS

The Company had prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) for and including the year ended March 31, 2022. The Company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended March 31, 2023 with restated comparative figures for the year ended March 31, 2022 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2021, the date of Company's transition to Ind AS. The principal adjustments made by the Company in restating its Indian GAAP financial statements for the financial year ending March 31, 2022 and the balance sheet as at April 1, 2021 are as mentioned below:

1. The Company has applied Ind AS 116 "Leases" with the date of initial application of 01 April, 2021. As a result, the company has changed its accounting policy for lease contracts as detailed below.

As Lessee

A) Carrying value of right of use assets at the end of the reporting period by class

<b>Particulars</b>	<b>Amount (INR Lakhs)</b>	<b>In</b>
Balance at 1 April 2021		-
Addition during the year		171.20
Depreciation charge for the year		(24.46)
<b>Balance at 31 March 2022</b>		<b>146.74</b>
Addition during the year		283.55
Deletion during the year		96.19
Depreciation charge for the year		(135.65)
<b>Balance at 31 March 2023</b>		<b>198.45</b>

B) Amounts recognised in profit or loss

<b>Particulars</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Interest on lease liabilities	21.96	17.15
Depreciation Charged for the period	96.19	24.46
Interest Income	(4.17)	(0.50)

26. Expenditure/Income in foreign currency (accrual Basis)

Income:

	31 March 2023 Rs.	31 March 2022 Rs.
Income Received	1,698.88	589.07
<b>Total</b>	<b>1,698.88</b>	<b>589.07</b>

27. Related party transactions

Name of the party	Relationship	Nature of transaction	31 March 2023 (INR In Lakhs)	31 March 2022 (INR In Lakhs)
<b>Remuneration charged during the financial year</b>				
Pasham Ram Reddy	Key managerial personnel (upto 15 <sup>th</sup> March 2023)	Remuneration	3.95	8.22
Pasham Swetha Reddy	Key managerial personnel (upto 15 <sup>th</sup> March 2023)	Remuneration	3.90	8.00
Sujit Mohanty	Director (from 15 <sup>th</sup> March 2023)			
Jagannathan Chakravarthi Narasimhan	Director (from 15 <sup>th</sup> March 2023)			
<b>Holding Company</b>				
Quanta Systems Inc	Holding Company (from 29 <sup>th</sup> March 2022)	Sale of Services	1,698.88	589.07

28. There no dues payable by the company to Micro and Small enterprises as defined under the MSMED Act, 2006

As per our report of even date  
**For Kammela & Associates**

**For Quant Cloud Solutions Private limited**

Firm Registration No:012195S  
Chartered Accountants

CA Nagaraju Kammela  
Partner  
Membership No:219169

Sujit Mohanty  
Director  
DIN: 00001404

Jagannathan C N  
Director  
DIN:08255902

Place: Hyderabad  
Date: 29-05-2023

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

### To the Members of Sonata Software Solutions Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Sonata Software Solutions Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other 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 and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report (Continued)

### Sonata Software Solutions Limited

#### Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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

## Independent Auditor's Report (Continued)

### Sonata Software Solutions Limited

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.

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

#### Other Matter

- a. The financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 25 April 2022.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 to the financial statements.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been advanced or loaned or invested

**Independent Auditor's Report (Continued)**

**Sonata Software Solutions Limited**

(either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Amrit Bhansali**

*Partner*

Place: Bengaluru

Membership No.: 065155

Date: 13 May 2023

ICAI UDIN:23065155BGYPURU9656



**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not hold any intangible assets. Accordingly, clause 3(i)(b) of the Order is not applicable.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering information technology services and solutions. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2023 (Continued)**

Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2023 (Continued)**

- information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2023 (Continued)**

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Amrit Bhansali**

*Partner*

Place: Bengaluru

Date: 13 May 2023

Membership No.: 065155

ICAI UDIN:23065155BGYPURU9656

## **Annexure B to the Independent Auditor's Report on the financial statements of Sonata Software Solutions Limited for the year ended 31 March 2023**

### **Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Sonata Software Solutions Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

**Annexure B to the Independent Auditor's Report on the financial statements of Sonata Software Solutions Limited for the year ended 31 March 2023 (Continued)**

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Amrit Bhansali**

*Partner*

Place: Bengaluru

Membership No.: 065155

Date: 13 May 2023

ICAI UDIN:23065155BGYPURU9656

## SONATA SOFTWARE SOLUTIONS LIMITED

## Balance Sheet

₹ in Lakhs

	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,630	179
Right-of-use assets	33	2,977	3,206
Capital work-in-progress	3.1	80	-
Financial assets			
Other financial assets	4	257	257
Deferred tax assets (net)	15	2,129	609
Income tax assets (net)	14	14	8
Other non-current assets	5	6	-
<b>Total non-current assets</b>		<b>7,093</b>	<b>4,259</b>
<b>Current assets</b>			
Financial assets			
Investments	6.1	3,652	251
Trade receivables	6.2	6,249	4,059
Cash and cash equivalents	6.3	551	106
Other financial assets	6.4	34	-
Other current assets	7	35	37
<b>Total current assets</b>		<b>10,521</b>	<b>4,453</b>
<b>Total assets</b>		<b>17,614</b>	<b>8,712</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	8	1	1
Other equity	9	13,599	4,900
<b>Total Equity</b>		<b>13,600</b>	<b>4,901</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	10	3,051	3,093
<b>Total non-current liabilities</b>		<b>3,051</b>	<b>3,093</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	11.1		
Total outstanding dues of micro enterprises and small enterprises	22	5	1
Total outstanding dues of creditors other than micro enterprises and small enterprises		180	257
Lease liabilities	11.2	347	332
Other financial liabilities	11.3	233	-
Other current liabilities	12	94	58
Provisions	13	55	67
Current tax liabilities (net)	14	49	3
<b>Total current liabilities</b>		<b>963</b>	<b>718</b>
<b>Total equity and liabilities</b>		<b>17,614</b>	<b>8,712</b>

See accompanying notes to the financial statements

As per our report of even date attached

For B S R &amp; Co LLP

Chartered Accountants

(Firm's Registration No: 101248W/W-100022)

Amrit Bhansali

Partner

(Membership No. 065155)

Bengaluru

For and on behalf of the Board of Directors of Sonata Software Solutions Limited

Satish Kumar Nuggu

Director

Jagannathan Chakravarthi

Director

Suresh H P

Director

Place : Bengaluru

Date : May 13, 2023

Place : Bengaluru

Date : May 02, 2023

**SONATA SOFTWARE SOLUTIONS LIMITED**  
**Statement of Profit and Loss**

₹ in Lakhs

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	16.1	15,382	10,154
Other income	16.2	329	(5)
<b>Total income</b>		<b>15,711</b>	<b>10,149</b>
<b>EXPENSES</b>			
Employee benefits expense	17	5,730	4,849
Finance costs	18	325	343
Depreciation and amortization expense	3.1 & 33	465	255
Other expenses	19	445	494
<b>Total expenses</b>		<b>6,965</b>	<b>5,941</b>
<b>Profit before tax</b>		<b>8,746</b>	<b>4,208</b>
<b>Tax expense</b>			
Current tax	14	1,555	701
Deferred tax	15	(1,520)	(440)
<b>Net tax expense</b>		<b>35</b>	<b>261</b>
<b>Profit for the year</b>		<b>8,711</b>	<b>3,947</b>
<b>Other Comprehensive Income</b>			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		(4)	(9)
(b) Income tax relating to items that will not be reclassified to profit/(loss)		-	1
		<b>(4)</b>	<b>(8)</b>
2. Items that will be reclassified to profit/(loss)			
(a) Fair value changes on derivatives designated as cash flow hedge, net		(8)	-
(b) Income tax relating to Items that will be reclassified to profit/(loss)		-	-
		<b>(8)</b>	<b>-</b>
<b>Total</b>		<b>(12)</b>	<b>(8)</b>
<b>Total Comprehensive Income for the year</b>		<b>8,699</b>	<b>3,939</b>
Earnings per share - (on ₹ 10 per share)			
Basic and Diluted ₹	29	87,110	39,470
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted (Nos)	29	10,000	10,000

See accompanying notes to the financial statements

As per our report of even date attached

For B S R & Co LLP

Chartered Accountants

(Firm's Registration No: 101248W/W-100022)

Amrit Bhansali

Partner

(Membership No. 065155)

Bengaluru

Place : Bengaluru

Date : May 13, 2023

For and on behalf of the Board of Directors of Sonata Software Solutions Limited

Satish Kumar Nuggu

Director

Jagannathan Chakravarthi

Director

Suresh H P

Director

Place : Bengaluru

Date : May 02, 2023



## SONATA SOFTWARE SOLUTIONS LIMITED

## Cash Flow Statement

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>8,746</b>	<b>4,208</b>
Adjustments for :		
Depreciation and amortization expense	465	255
Finance costs	325	343
Impairment (gain)/loss recognised on trade receivable	38	-
Net gain on investments carried at fair value through profit and loss	(82)	(1)
Unrealized foreign exchange gain (net)	352	(7)
<b>Operating cash flows before movements in working capital</b>	<b>9,844</b>	<b>4,798</b>
<i>Changes in operating assets and liabilities:</i>		
Trade receivables	(2,535)	(2,828)
Other financial assets-current	(1)	-
Other financial assets non-current	-	(197)
Other non-current assets	(6)	-
Other current assets	(1)	(1)
Trade payables	(74)	127
Other financial liabilities	1	(160)
Other current liabilities	32	24
Provisions	(11)	59
<b>Net cash flow from/(used in) operating activities before taxes</b>	<b>7,249</b>	<b>1,822</b>
Direct taxes/advance tax paid (net)	(1,515)	(741)
<b>Net cash from/(used in) operating activities</b>	<b>5,734</b>	<b>1,081</b>
	(A)	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment including capital work-in-progress and capital advances	(1,619)	(193)
Purchase of investments	(11,651)	(600)
Proceeds from sale of investments	8,333	350
<b>Net cash flow used in investing activities</b>	<b>(4,937)</b>	<b>(443)</b>
	(B)	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment on lease liabilities	(350)	(334)
Inter-corporate borrowings from holding Company (net)	-	(180)
Interest paid	(2)	(18)
<b>Net cash flow from/(used in) financing activities</b>	<b>(352)</b>	<b>(532)</b>
	(C)	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>445</b>	<b>106</b>
	(A+B+C)	
Opening cash and cash equivalents	106	-
<b>Closing cash and cash equivalents</b>	<b>551</b>	<b>106</b>
Cash and cash equivalents at the end of the year comprises:		
Balances with banks		
In current accounts	551	106
	<b>551</b>	<b>106</b>

See accompanying notes to the financial statements

As per our report of even date attached

For B S R &amp; Co LLP

Chartered Accountants

(Firm's Registration No: 101248W/W-100022)

**Amrit Bhansali**

Partner

(Membership No. 065155)

Bengaluru

For and on behalf of the Board of Directors of Sonata Software Solutions Limited

**Satish Kumar Nuggu**

Director

**Jagannathan Chakravarthi**

Director

**Suresh H P**

Director

Place : Bengaluru

Date : May 13, 2023

Place : Bengaluru

Date : May 02, 2023

## SONATA SOFTWARE SOLUTIONS LIMITED

## Statement of changes in equity

	₹ in Lakhs
<b>(a) Equity share capital</b>	
Balance as at April 1, 2021	-
Add: Shares issued on incorporation of the company	1
<b>Balance as at March 31, 2022</b>	<b>1</b>
Balance as at April 1, 2022	1
Add: Shares issued on exercise of employee stock option	-
<b>Balance as at March 31, 2023</b>	<b>1</b>

Particulars	₹ in Lakhs			Total Other Equity
	Reserves and Surplus (Refer Note 9)	Items of Other Comprehensive Income (Refer Note 9)		
	Retained Earnings	Remeasurement of the defined benefit plans	Effective portion of cash flow hedges	
<b>Balance as at April 1, 2021</b>	961	-	-	961
Profit for the year	3,947			3,947
Other comprehensive income (net of tax)		(8)	-	(8)
<b>Total comprehensive income for the year</b>	<b>4,908</b>	<b>(8)</b>	<b>-</b>	<b>4,900</b>
<b>Balance as at March 31, 2022</b>	<b>4,908</b>	<b>(8)</b>	<b>-</b>	<b>4,900</b>
<b>Balance as at April 1, 2022</b>	<b>4,908</b>	<b>(8)</b>	<b>-</b>	<b>4,900</b>
Profit for the year	8,711			8,711
Other comprehensive income (net of tax)		(4)	(8)	(12)
<b>Total comprehensive income for the year</b>	<b>8,711</b>	<b>(4)</b>	<b>(8)</b>	<b>8,699</b>
<b>Balance as at March 31, 2023</b>	<b>13,619</b>	<b>(12)</b>	<b>(8)</b>	<b>13,599</b>

As per our report of even date attached

For B S R &amp; Co LLP

Chartered Accountants

(Firm's Registration No: 101248W/W-100022)

For and on behalf of the Board of Directors of Sonata Software Solutions Limited

Amrit Bhansali

Partner

(Membership No. 065155)

Bengaluru

Satish Kumar Nuggu

Director

Jagannathan Chakravarthi

Director

Suresh H P

Director

Place : Bengaluru

Date : May 13, 2023

Place : Bengaluru

Date : May 02, 2023

## SONATA SOFTWARE SOLUTIONS LIMITED

### Notes to the financial statements for the year ended March 31, 2023

#### 1 COMPANY OVERVIEW

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

The Company is a public limited company incorporated on Feb 24, 2020 and domiciled in India with its registered office at Mumbai and operationally headquartered at Bengaluru. The financial statements have been approved for issue by the Company's Board of Directors on May 02, 2023.

The principal accounting policies applied in the preparation of the consolidated 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

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

###### b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values.

###### c. Functional and presentation currency

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

All amounts rounded off to the nearest Rs in Lakhs unless otherwise indicated.

###### d. Use of judgement, estimates and assumptions

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

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

###### i) Income taxes

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

###### ii) 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.

###### iii) Other estimates

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

Fair valuation of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecasted transactions.

## SONATA SOFTWARE SOLUTIONS LIMITED

### Notes to the financial statements for the year ended March 31, 2023

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Property, plant and equipment

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

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

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

##### 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 advances and capital work-in-progress respectively.

##### 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 and office equipments on the written down method, as per the useful life prescribed in Schedule II of the Companies Act, 2013.

###### Straight-line method

Asset class	Useful life
Buildings	60 years
Plant and machinery (Hardware)	3 years
Plant and machinery (Others)	15 years
Lease hold land	lease period
Lease hold improvements	lease period

###### Written down method

Asset class	Percentage
Furniture and fixtures	25.88
Office equipments	45.07

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

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.

##### d. Leases

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

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

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

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

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

**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2023**

**e. Financial instruments**

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

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

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

**Non-derivative financial assets**

**i. Financial assets at amortised cost**

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

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

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

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

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

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

**ii. Financial assets at fair value through other comprehensive income (FVTOCI)**

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

**iii. Financial assets at fair value through profit and loss (FVTPL)**

Financial assets which is not classified in any of the above category is measured at FVTPL. These include surplus funds invested in mutual funds etc.

Financial assets included within the FVTPL category are measured at fair values with all changes recorded in the statement of profit and loss.

**Non-derivative financial liabilities**

**Financial liabilities at amortised cost**

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

**Financial liabilities at FVTPL**

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

## SONATA SOFTWARE SOLUTIONS LIMITED

### Notes to the financial statements for the year ended March 31, 2023

#### Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company enters into derivative contracts to hedge the risks asserted with currency fluctuations relating to firm commitments and highly probable forecasted transactions. The Company does not use derivative instruments for speculative purposes.

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Amounts accumulated in hedging reserve are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

The fair value of a hedging derivative is classified as a current/ non-current, asset or liability based on the remaining maturity of the hedged item.

When a hedging instrument expires, swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in statement of changes in equity is recognised in the statement of profit and loss.

#### Offsetting financial instruments

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

#### f. Employee benefits

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

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

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

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

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

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

## SONATA SOFTWARE SOLUTIONS LIMITED

### Notes to the financial statements for the year ended March 31, 2023

#### Short-term employee benefits

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

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

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

#### Long-term employee benefits

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

#### g. Provisions

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

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

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

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

#### h. Income taxes

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

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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.

**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2023**

**i. 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.

**j. Revenue recognition**

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

**a) Time and materials contracts**

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

**b) Fixed-price contracts**

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

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

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

**c) Maintenance Contracts**

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

'Contract asset represent cost and earnings in excess of billings as at the end of the reporting period. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities(Unearned revenues) represent billing in excess of revenue recognized.

Advance payments received from customers for which no services are rendered are presented as 'Advance from customers'.

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

**k. Dividend :**

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

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

**l. Foreign currency transactions and translations**

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

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

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

**m. Finance income and expense**

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

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

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



## SONATA SOFTWARE SOLUTIONS LIMITED

### Notes to the financial statements for the year ended March 31, 2023

#### n. Impairment

##### a) Financial assets :

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

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

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

##### b) Non-financial assets

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

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

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

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

#### o. Earnings per share

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

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

#### 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. Non-adjusting events after the reporting date are not accounted, but disclosed.

### 2.3 Recent pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

## SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2023

## 3 - Property, plant and equipment

₹ in Lakhs

Tangible assets					
Particulars	Office equipments	Leasehold improvements	Furniture and fixtures	Plant and equipments	Total
<b>Cost</b>					
As at March 31, 2021	-	-	-	-	-
Additions	-	-	-	206	206
Disposals	-	-	-	-	-
<b>As at March 31, 2022</b>	-	-	-	206	206
<b>As at April 1, 2022</b>	-	-	-	206	206
Additions	254	829	175	429	1,687
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>254</b>	<b>829</b>	<b>175</b>	<b>635</b>	<b>1,893</b>
<b>Accumulated Depreciation</b>					
As at March 31, 2021	-	-	-	-	-
Depreciation	-	-	-	27	27
Depreciation on disposals	-	-	-	-	-
<b>As at March 31, 2022</b>	-	-	-	27	27
<b>As at April 1, 2022</b>	-	-	-	27	27
Depreciation	22	48	9	157	236
Depreciation on disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>22</b>	<b>48</b>	<b>9</b>	<b>184</b>	<b>263</b>
<b>Net carrying value</b>					
As at March 31, 2023	232	781	166	451	1,630
As at March 31, 2022	-	-	-	179	179

## 3.1 - Capital work-in-progress

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

₹ in Lakhs

	CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Projects in Progress:</b>					
As at March 31, 2023	80	-	-	-	80
As at March 31, 2022	-	-	-	-	-

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

**SONATA SOFTWARE SOLUTIONS LIMITED**
**Notes to the financial statements for the year ended March 31, 2023**
**₹ in Lakhs**

	As at March 31, 2023	As at March 31, 2022			
<b>Non-Current</b>					
<b>4 : Other financial assets</b>					
Unsecured, considered good					
Security deposits	257	257			
<b>Total</b>	<b>257</b>	<b>257</b>			
<b>5 : Other non-current assets</b>					
Unsecured, considered good					
Prepaid expenses	6	-			
<b>Total</b>	<b>6</b>	<b>-</b>			
<b>Current</b>					
<b>6.1 : Investments</b>					
<b>Investments carried at fair value through profit and loss:</b>					
<b>Investments in mutual funds (Quoted)</b>					
	No of Units	₹ in Lakhs	No of Units	₹ in Lakhs	
Axis Overnight Fund - Direct growth		-	22,357	251	
Tata Liquid Fund- Direct Plan-Growth Option	20,203	718		-	
Mirae Asset Fixed Maturity Plan SR V Plan-1 -Growth	2,00,15,775	2,020		-	
Mirae Asset Fixed Maturity Plan SR V Plan-2 -91 days Growth	18,384	502		-	
HSBC Cash Fund -Growth Direct	49,99,750	412		-	
<b>Total</b>		<b>3,652</b>		<b>251</b>	
Aggregate amount of quoted investments		<b>3,652</b>		<b>251</b>	
Market value of quoted investments		<b>3,652</b>		<b>251</b>	
Investments carried at fair value through profit or loss		<b>3,652</b>		<b>251</b>	
<b>6.2 : Trade receivables</b>					
Unsecured					
Billed					
Considered good*		6,249		4,059	
Considered doubtful		40		-	
		6,289		4,059	
Less : Allowances for credit losses		40		-	
<b>Total</b>		<b>6,249</b>		<b>4,059</b>	
* Include dues from related parties (Refer note 32)					
Trade receivable ageing schedule					
	Outstanding for the following period from due date of payments				
	Not due	Less than 6 months	6 months-1 year	2-3 years	Total
Undisputed Trade Receivables					
As at March 31, 2023	1,479	4,759	11	40	6,289
Less : Allowances for credit losses					40
					<b>6,249</b>
As at March 31, 2022	197	2,567	1,163	132	4,059
Less : Allowances for credit losses					-
					<b>4,059</b>
<b>6.3 : Cash and cash equivalents</b>					
Balances with banks					
In current accounts		551		106	
<b>Total</b>		<b>551</b>		<b>106</b>	
<b>6.4 : Other financial assets</b>					
Unsecured, considered good					
Loans and advances to related parties - Advances recoverable (Refer note 32)		1		-	
Fair value of forward contracts		33		-	
<b>Total</b>		<b>34</b>		<b>-</b>	
<b>7 : Other current assets</b>					
Unsecured, considered good					
Advances to employees		7		15	
Prepaid expenses		8		10	
Other recoverables		20		12	
<b>Total</b>		<b>35</b>		<b>37</b>	

**SONATA SOFTWARE SOLUTIONS LIMITED**
**Notes to the financial statements for the year ended March 31, 2023**
**₹ in Lakhs**

	As at March 31, 2023	As at March 31, 2022
<b>8 : Equity share capital</b>		
<b>Authorized</b>		
150,000 equity shares of face value ₹ 10/- each (As at March 31, 2022 - 150,000 equity shares of face value ₹ 10/- each)	<u>15</u>	<u>15</u>
<b>Issued</b>		
10,000 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2022 - 10,000 equity shares of face value ₹ 10/- each)	<u>1</u>	<u>1</u>
<b>Subscribed and paid-up</b>		
10,000 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2022 - 10,000 equity shares of face value ₹ 10/- each)	1	1
<b>Total</b>	<u>1</u>	<u>1</u>
Refer note (i) to (v) below		
<b>Notes :</b>		
<b>i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year</b>		
	As at March 31, 2023	As at March 31, 2022
Equity shares with voting rights		
Number of shares	10,000	10,000
Amount ₹	1,00,000	1,00,000
<b>ii) Details of rights, preferences and restrictions attached to each class of shares</b>		
The Company has one class of equity shares having a par value of ₹ 10/-. Each shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board and approved by the shareholders.		
In the event of liquidation by the Company, the holders of the equity shares will be entitled to receive in proportion to the number of equity shares held by them, the remaining assets of the Company.		
The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.		
<b>iii) Details of shares held by Holding Company</b>		
	As at March 31, 2023	As at March 31, 2022
Equity shares with voting rights		
Sonata Software Limited (Holding Company) and its nominees	10,000	10,000
<b>iv) Details of shares held by each shareholder holding more than 5% shares</b>		
Sonata Software Limited (Holding Company) and its nominees		
No. of shares held	10,000	10,000
% of holding	100	100
<b>v) Details of shares held by each promoter</b>		
Sonata Software Limited (Holding Company) and its nominees		
No. of shares held	10,000	10,000
% of holding	100	100
<b>9 : Other equity</b>		
<b>Retained earnings</b>		
Opening balance	4,908	961
Profit for the year	8,711	3,947
<b>Closing balance</b>	<u>13,619</u>	<u>4,908</u>
<b>Remeasurement of the defined benefit plans</b>		
Opening balance	(8)	-
For the year, (net of tax)	(4)	(8)
<b>Closing balance</b>	<u>(12)</u>	<u>(8)</u>
Actuarial gain or losses on gratuity are recognised in other comprehensive income.		
<b>Effective portion of cash flow hedges</b>		
Opening balance	-	-
Exchange differences on cash flow hedges, (net of tax)	(8)	-
<b>Closing balance</b>	<u>(8)</u>	-
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.		
<b>Total</b>	<u>13,599</u>	<u>4,900</u>

## SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2023

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
<b>10 : Lease liabilities</b>		
Lease liabilities (Refer note 33)	3,051	3,093
<b>Total</b>	<b>3,051</b>	<b>3,093</b>

**11.1 : Trade payables**

Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 22)	5	1
Total outstanding dues of creditors other than micro enterprises and small enterprises	180	257
<b>Total</b>	<b>185</b>	<b>258</b>

**Trade payables ageing schedule**

	Outstanding for the following period from due date of payments				
	Unbilled	Not due	Less than 1 year	2-3 years	Total
(i) As at March 31, 2023					
MSME	-	3	2	-	5
Others	-	80	99	1	180
<b>Total</b>	-	<b>83</b>	<b>101</b>	<b>1</b>	<b>185</b>
(ii) As at March 31, 2022					
MSME	-	-	1	-	1
Others	104	107	46	-	257
<b>Total</b>	<b>104</b>	<b>107</b>	<b>47</b>	-	<b>258</b>

**11.2 : Lease liabilities**

Lease liabilities (Refer note 33)	347	332
<b>Total</b>	<b>347</b>	<b>332</b>

**11.3 : Other financial liabilities**

Payable on acquisition of property, plant and equipment	148	-
Reimbursable expenses payable to related party (Refer note 32)	2	-
Fair value of forward contracts (Refer note 23 & 24)	83	-
<b>Total</b>	<b>233</b>	-

**12 : Other current liabilities**

Gratuity payable (net) (Refer note 27)	23	6
Other payables		
Statutory remittances	69	51
Other liabilities	2	1
<b>Total</b>	<b>94</b>	<b>58</b>

**13 : Provisions**

Provision for employee benefits - Compensated absences	55	67
<b>Total</b>	<b>55</b>	<b>67</b>

**14 : Current tax liabilities (net)**

Others		
Provision for tax	49	3
<b>Total</b>	<b>49</b>	<b>3</b>

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income taxes</b>		
<b>(a) Income tax expense in the statement of profit and loss consists of:</b>		
<b>Current Tax:</b>		
In respect of current year	1,522	701
Short provision for tax relating to prior years	33	
<b>Deferred Tax (Refer note 15):</b>		
In respect of current year	(1,520)	(440)
<b>Total Income tax expense recognised in the statement of profit and loss</b>	<b>35</b>	<b>261</b>
<b>(b) Income tax recognised in other Comprehensive income</b>		
Deferred tax related to items recognised in other comprehensive income during the year:		
Net loss / (gain) on measurement of defined benefit plan	-	1
<b>Total</b>	<b>-</b>	<b>1</b>

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

Profit before tax	8,746	4,208
Enacted income tax rate in India	27.82%	27.82%
Computed expected tax expense	2,433	1,171
<b>Effect of:</b>		
Income exempt from tax	(2,527)	(1,064)
MAT Credit reversal	-	52
Others	129	102
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>35</b>	<b>261</b>

The applicable Indian corporate statutory tax rate for the year ended March 31, 2023 is 27.82% (year ended March 31, 2022 is 27.82%)

The Company is having unit in Bengaluru registered as Special Economic Zone (SEZ) units, which is entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

Under the Income-tax Act, 1961, SSSL is liable to pay Minimum Alternate Tax (MAT) in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised

#### 15 : Deferred tax assets (net)

##### Deferred Tax assets / (liabilities) as at March 31, 2023 in relation to:

	As at April 1, 2022	Recognised in Profit & Loss	Recognised in other comprehensive income/reserves	As at March 31, 2023
MAT credit	608	1,520	-	2,128
Fair value through other comprehensive income	1	-	-	1
<b>Total</b>	<b>609</b>	<b>1,520</b>	<b>-</b>	<b>2,129</b>

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

	As at April 1, 2021	Recognised in Profit & Loss	Recognised in other comprehensive income/reserves	As at March 31, 2022
MAT credit	168	440	-	608
Fair value through other comprehensive income	-	-	1	1
<b>Total</b>	<b>168</b>	<b>440</b>	<b>1</b>	<b>609</b>

**SONATA SOFTWARE SOLUTIONS LIMITED**
**Notes to the financial statements for the year ended March 31, 2023**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>16.1 : Revenue from operations</b>		
Revenue from software services (Refer note 20)	15,382	10,154
<b>Total</b>	<b>15,382</b>	<b>10,154</b>
<b>Performance obligations and remaining performance obligations:</b>		
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.		
<b>16.2 : Other income</b>		
Interest income	-	1
Net gain on current investments	82	1
Net gain on foreign currency transactions	247	(7)
<b>Total</b>	<b>329</b>	<b>(5)</b>
<b>17 : Employee benefits expense</b>		
Salaries, wages and bonus	5,398	4,553
Contributions to provident and other funds	305	282
Staff welfare expenses	27	14
<b>Total</b>	<b>5,730</b>	<b>4,849</b>
<b>18 : Finance costs</b>		
Interest expense on:		
Inter corporate borrowings (Refer note 32)	-	11
Others	1	7
Lease rental discounted (Refer note 33)	323	325
Other borrowing costs	1	-
<b>Total</b>	<b>325</b>	<b>343</b>
<b>19 : Other expenses</b>		
Power and fuel	18	-
Rent	16	13
Repairs and maintenance - Buildings	-	2
Repairs and maintenance - Machinery	17	9
Insurance	98	61
Rates and taxes	-	12
Communication cost	45	37
Facility maintenance	96	69
Travelling and conveyance expenses	9	-
Professional and technical fees	38	10
Insourcing professional fees	(27)	169
Expenditure on Corporate Social Responsibility (Refer note 31)	53	21
Payments to auditors (refer note below)	5	8
Impairment loss/(gain) recognised on trade receivable	38	-
Miscellaneous expenses	39	83
<b>Total</b>	<b>445</b>	<b>494</b>
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	5	8
Reimbursement of expenses	-	-
	<b>5</b>	<b>8</b>

## 20 Revenue from software services

## Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers For the period ended March 31, 2023 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

	₹ in lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Time and material	7,175	6,099
Fixed price	8,207	4,055
<b>Total</b>	<b>15,382</b>	<b>10,154</b>

## Trade receivables and contract balances

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

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

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

## 21 Commitments

	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	83	48

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

	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	5	1
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

## 23 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

	Note No.	Carrying value		Fair value	
		As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
<b>Financial assets</b>					
<b>Amortised cost</b>					
Security deposits	4	257	257	257	257
Trade receivable	6.2	6,249	6,249	4,059	4,059
Cash and cash equivalents	6.3	551	551	106	106
Other financial assets	6.4	34	34	-	-
<b>FVTPL</b>					
Investment in mutual fund (quoted)	6.1	3,652	3,652	251	251
Forward Contracts	6.4	33	33	-	-
<b>Total assets</b>		<b>10,776</b>	<b>10,776</b>	<b>4,673</b>	<b>4,673</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
Borrowings	10	-	-	-	-
Trade payables	11	185	185	258	258
Lease liabilities	10 & 11.2	3,398	3,398	3,425	3,425
Other financial liabilities	11.3	150	150	-	-
<b>FVTPL</b>					
Forward contracts	11.3	42	42	-	-
<b>FVTOCI</b>					
Forward Contracts	11.3	41	41	-	-
<b>Total liabilities</b>		<b>3,816</b>	<b>3,816</b>	<b>3,683</b>	<b>3,683</b>

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

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

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted mutual funds are based on price quotations at reporting date. The fair value of other financial liabilities and other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.
- The fair values of the unquoted equity and preference shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates whose range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The Company enters into derivative financial instruments with Banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of banks, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2021, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.



**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2023

**24 Fair value hierarchy**

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

(i) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities are as under:

Particulars	₹ in lakhs		
	Fair value as at As at March 31, 2023	Fair value as at As at March 31, 2022	Fair value hierarchy
Investment in mutual funds	3,652	251	Level 1
Foreign currency forward contracts (assets)	33	-	Level 2
Foreign currency forward contracts (liabilities)	83	-	Level 2

There have been no transfers among Level 1 during the year.

**Derivative financial instruments**

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Company uses derivatives to hedge foreign currency assets/ liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

For movement in cash flow hedge reserve gain or loss - Refer note 9

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Particulars	Amount in Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>Designated derivative instruments (Sell):</b>		
In USD	129	-
In GBP	3	-

The foreign exchange forward contracts mature anywhere between 0-1.5 year. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	Amount in Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>Designated derivative instruments (Sell):</b>		
Less than 3 months		
In USD	24	-
More than 3 months		
In USD	106	-
In GBP	3	-

Average rate of coverage	As at March 31, 2023		As at March 31, 2022	
	Amount in Lakhs	Weighted Average Rate (₹)	Amount in Lakhs	Weighted Average Rate (₹)
USD	129	83.45	-	-
GBP	3	104.20	-	-

**25 Financial risk management**

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

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

**Credit risk**

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

**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2023

**Liquidity risk**

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

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

The liquidity position of the Company is given below:

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	551	106
Trade receivables	6,249	4,059

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 and as at March 31, 2022:

	As at March 31, 2023			As at March 31, 2022		
	Less than 1 year	1-2 years	2 years & above	Less than 1 year	1-2 years	2 years & above
Trade payables	185	-	-	258	-	-
Lease liabilities	347	330	2,721	332	316	2,777
Other financial liabilities	150	-	-	-	-	-

**Foreign currency risk**

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

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

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

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2023 and as at March 31, 2022.

	Amount in Lakhs			
Exposure currency	USD	GBP	EUR	Other Currencies*
<b>As at March 31, 2023</b>				
<b>Assets</b>				
Trade receivables	3,453	516	234	93
<b>Liabilities</b>				
Trade Payable	(28)	-	(4)	-
Other financial liabilities	-	-	-	-
<b>Net assets/liabilities</b>	<b>3,425</b>	<b>516</b>	<b>230</b>	<b>93</b>
<b>As at March 31, 2022</b>				
<b>Assets</b>				
Trade receivables	3,137	692	54	184
<b>Liabilities</b>				
Trade Payable	(43)	-	-	-
<b>Net assets/liabilities</b>	<b>3,094</b>	<b>692</b>	<b>54</b>	<b>184</b>

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

For the period ended March 31, 2023, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by 0.27%/ (0.27)%. For the year ended March 31, 2022, the impact on operating margins would be 0.40%/ (0.40)%.

**26 Capital management**

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

The capital structure of the company consists of the following:

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Total equity attributable to the equity share holders of the Company	13,600	4,901
As percentage of total capital	100%	100%
Current borrowings	-	-
As a percentage of total capital	-	-
<b>Total capital (borrowings and equity)</b>	<b>13,600</b>	<b>4,901</b>

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

**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2023

**27 Employee benefit plans**

**i) Defined contribution plans**

**a) Provident fund**

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

Provident fund contributions amounting to ₹ 190 lakhs (Previous period ended March 31, 2022 ₹ 191 lakhs) has been charged to the Statement of Profit and Loss (as part of Contribution to Provident Fund and other Funds in Note 17 Employee benefits expense).

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

	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Superannuation (as part of Contribution to Provident Fund and other Funds in Note 17 Employee benefits expense)	75	70
National Pension Scheme (as part of Contribution to Provident Fund and other Funds in Note 17 Employee benefits expense)	5	1

**ii) Defined benefit plans - Gratuity**

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

	March 31, 2023	March 31, 2022
Discount rate(s)	7.39%	6.44%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Service Cost:</b>		
Current service cost	34	19
Components of defined benefit costs recognised in profit or loss	<b>34</b>	<b>19</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	1	-
Actuarial (gains) / losses arising from changes in financial assumptions	(7)	(3)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	10	12
Components of defined benefit costs recognised in other comprehensive income	<b>4</b>	<b>9</b>

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

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

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

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(72)	(33)
Fair value of plan assets	50	27
<b>Net (liability) / assets arising from defined benefit obligation</b>	<b>(23)</b>	<b>(6)</b>
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	32	-
Current service cost	34	19
Interest cost	2	-
Actuarial gains and losses arising from changes in financial assumptions	(7)	(3)
Actuarial (Gains)/Losses on Obligations - Due to Experience	10	13
<b>Closing defined benefit obligation</b>	<b>72</b>	<b>19</b>
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	27	11
Interest income	2	1
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions from the employer	22	15
Benefits paid	-	-
Return on plan assets, excluding interest income	(1)	-
<b>Closing fair value of plan assets</b>	<b>50</b>	<b>27</b>

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

	As at March 31, 2023	As at March 31, 2022
Insurer Managed Funds	100%	100%
Category of funds:		
Secure Fund	50.00%	50.00%
Defensive Fund	25.00%	25.00%
Balanced Fund	25.00%	25.00%

**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2023**

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

	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	7	6	4	3
Future salary growth (1% movement)	7	6	4	3

The Company expects to contribute ₹ 63 lakhs to its defined benefit plans during the next fiscal year.

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

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

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

**Experience adjustments:**

₹ in Lakhs

	As at	As at
	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	72	33
Fair value of plan assets	50	27
Surplus / (deficit)	(23)	(6)

**Maturity profile of defined benefit obligation:**

₹ in Lakhs

	As at	As at
	March 31, 2023	March 31, 2022
Within 1 year	-	1
1-2 years	-	-
2-3 years	1	-
3-4 years	8	1
4-5 years	10	5
5 years and Above	147	64

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

**28 Segment reporting**

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

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

**29 Earnings per share**

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

	For the year ended	For the period ended
	March 31, 2023	March 31, 2022
Total number of equity shares outstanding	10,000	10,000
Weighted average number of equity shares for calculation of earning per share	10,000	10,000

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

**31 Corporate social responsibility**

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

(i) Gross amount required to be spent by the Company during the year is ₹ 52 lakhs (Previous period is ₹ 19 lakhs).

(ii) Amount spent during the year is ₹ 53 lakhs (Previous period is ₹ 21 lakhs).

(in ₹ lakhs)

	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than above	53	-	53
<b>Total</b>	<b>53</b>	<b>-</b>	<b>53</b>

(iii) Amount unspent is ₹ Nil (Previous period is ₹ Nil).

**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2023

**32. Related party disclosure**
**i) Details of related parties :**

Description of relationship	Names of related parties
a) Holding Company	Sonata Software Limited
b) Fellow subsidiaries	Sonata Information Technology Limited Sonata Software North America Inc. Sonata Europe Limited Sonata Software FZ LLC <sup>1</sup> Interactive Business Information Systems Inc. <sup>2</sup> Sonata Australia Pty Ltd (formerly known as "Scalable Data Systems Pty Ltd") Sopris Systems LLC Sonata Software Intercontinental Limited
(c) Key management personnel (KMP)	Mr. P V S N Raju, Director (Till February 13, 2023) Mr. Balaji Kumar A, Director (till May 2, 2023) Mr. Jagannathan Chakravarthi, Director Mrs. Madhavi Srinivas, Director (Till May 2, 2023) Mr. Suresh H P, Director (from May 2, 2023) Mr. Satish Kumar Nuggu, Director (from May 2, 2023)

**ii) Transactions with related parties :**

₹ in lakhs

	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
<b>Rendering of services</b>				
Sonata Software North America Inc.		11,890		6,923
Sonata Europe Limited		3,078		1,296
Sonata Software FZ LLC		-		33
Sonata Software Limited	-		1,737	
Interactive Business Information Systems Inc.		54		44
Sonata Australia Pty Ltd		168		69
Sopris Systems LLC		102		16
Sonata Software Intercontinental limited		89		
<b>Software project fees</b>				
Sonata Software Limited	-		1	
<b>Inter-corporate borrowings</b>				
Sonata Software Limited	-		220	
<b>Inter-corporate borrowings repayment</b>				
Sonata Software Limited	-		400	
<b>Interest on Inter-corporate borrowings</b>				
Sonata Software Limited	-		11	

	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
<b>Balances outstanding at the end of the year</b>				
<b>Trade receivables</b>				
Sonata Software North America Inc.		5,346		2,819
Sonata Europe Limited		741		362
Sonata Software FZ LLC		-		2
Interactive Business Information Systems Inc.		-		5
Sopris Systems, LLC		-		16
Sonata Australia Pty Ltd		69		69
Sonata Software Intercontinental Limited		93		
Sonata Software Limited	-		754	
<b>Trade payables</b>				
Sonata Software Limited	28		26	
<b>Reimbursement of expenses receivable</b>				
Sonata Software North America Inc.		1		-
<b>Reimbursement of expenses payable</b>				
Sonata Software Limited	2		-	

<sup>1</sup> Sonata Software FZ LLC has been discontinued w.e.f 30th March, 2023.

<sup>2</sup> Interactive Business Information Systems Inc., in the US has been merged with Sonata Software North America, Inc., wholly-owned subsidiary of Sonata Software Limited on December 13, 2022.

**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2023**

**33. Leases**

The aggregate depreciation expense of ₹ 229 lakhs (₹ 228 lakhs) on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

₹ in lakhs

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

	Category of ROU Asset
	Buildings
Balance as at April 1, 2022	3,206
Additions	-
Deletion	-
Depreciation	(229)
<b>Balance as at March 31, 2023</b>	<b>2,977</b>

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

Rental expense recorded for short-term leases was ₹ 13 lakhs (March 31,2022 ₹ 13 lakhs) for the year ended March 31,2023.

The following is the movement in lease liabilities:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning	3,425	-
Additions	-	3,435
Finance cost accrued during the year	323	325
Deletions	-	-
Payment of lease liabilities	(350)	(335)
<b>Balance at the end of the year</b>	<b>3,398</b>	<b>3,425</b>

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

₹ in lakhs

	As at	As at
	March 31, 2023	March 31, 2022
Current lease liabilities	347	332
Non-current lease liabilities	3051	3093
<b>Total</b>	<b>3,398</b>	<b>3,425</b>

**Contractual maturities of lease liabilities**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

₹ in lakhs

	As at	As at
	March 31, 2023	March 31, 2022
Not later than one year	365	350
Later than one year and not later than 5 years	1,633	1,562
Later than 5 years	4,269	4,704
<b>Total</b>	<b>6,267</b>	<b>6,616</b>

**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2023

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

Ratio/Measure	Methodology	For the year ended	For the year ended
		March 31, 2023	March 31, 2022
Current ratio <sup>1</sup>	Current assets over current liabilities	11.28	6.20
Debt-equity ratio <sup>2</sup>	Debt over total shareholders equity	0.25	0.70
Debt service coverage ratio <sup>3</sup>	EBITDA over current debt	2.56	1.28
Return on equity ratio <sup>4</sup>	PAT over total average equity	0.94	1.35
Trade receivable turnover ratio	Revenue from operations over trade receivables	2.46	2.50
Trade payable turnover ratio <sup>5</sup>	Adjusted expenses over trade payables	33.38	20.71
Net capital turnover ratio <sup>6</sup>	Revenue from operations over working capital	1.55	2.50
Net profit ratio <sup>7</sup>	Net profit over revenue	0.57	0.39
Return on capital employed	EBIT over capital employed	0.56	0.59
Return on investment <sup>8</sup>	Interest income, net gain on sale of investments and net fair value gain & dividend income over weighted average investments.	0.04	0.00

**Notes:**

EBITDA - Earnings before interest, taxes, depreciation and amortisation

PAT - Profit after taxes

EBIT - Earnings before interest and taxes.

Debt includes current and non-current lease liabilities.

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

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

**Explanation for variances exceeding 25%:**<sup>1</sup>Current Ratio is improved due to increase in investments during the financial year 2022-23<sup>2</sup>Debt equity ratio is increased on account of increase in EBIT during the financial year 2022-23<sup>3</sup>Debt service coverage ratio is increased on account of increase in EBIT during the financial year 2022-23<sup>4</sup>Return of equity ratio is decreased on account of changes in equity during the financial year 2022-23<sup>5</sup>Trade Payable turnover ratio is improved on account of increase in adjusted expenses for the year ended March 31, 2023<sup>6</sup>Net capital turnover ratio is decreased on account of increase in revenue for the year ended March 31, 2023<sup>7</sup>Net Profit ratio improved on account of increase in EBIT for the year ended March 31, 2023<sup>7</sup>Return on investment is improved due to increase in investments during the financial year 2022-23

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

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

**As per our report of even date attached****For B S R & Co LLP**

Chartered Accountants

(Firm's Registration No: 101248W/W-100022)

**For and on behalf of the Board of Directors of Sonata Software Solutions Limited****Amrit Bhansali**

Partner

(Membership No. 065155)

**Satish Kumar Nuggu**

Director

**Jagannathan Chakravarthi**

Director

**Suresh H P**

Director

Place : Bengaluru

Date : May 13, 2023

Place : Bengaluru

Date : May 02, 2023

**Registered number: 04697621**

**GAPBUSTER LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2023**

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



# GAPBUSTER LIMITED

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**GAPBUSTER LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Adam Scott Kaye Amit Kumar Balaji Kumar Ayalasomayajula
<b>Company secretary</b>	Dentons Secretaries Limited
<b>Registered number</b>	04697621
<b>Registered office</b>	11th Floor West The Mille, 1000 Great West Road Brentford Middlesex TW8 9DW
<b>Independent auditors</b>	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB

## **GAPBUSTER LIMITED**

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the financial statements for the year ended 31 March 2023.

#### **Directors' responsibilities statement**

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

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

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

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

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

#### **Directors**

The directors who served during the year were:

Adam Scott Kaye

Amit Kumar

Balaji Kumar Ayalasomayajula (appointed 18 January 2023)

Subramanya Narasimha Raju Pusapati Venkata (resigned on 13 February 2023)

#### **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**

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

**GAPBUSTER LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

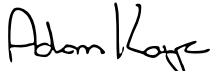
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Small companies note**

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

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



**Adam Scott Kaye**  
Director

Date: 15th June 2023

## **GAPBUSTER LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAPBUSTER LIMITED**

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#### **Opinion**

We have audited the financial statements of Gapbuster Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 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.

#### **Material uncertainty related to going concern**

We draw attention to note 2.3 in the financial statements, which states that a proposal has been made to merge the company with an intermediate parent entity, which is likely to lead to significant restructuring. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

## **GAPBUSTER LIMITED**

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

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#### **Other information**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial 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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

## GAPBUSTER LIMITED

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

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

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

#### 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*

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

Date: 19 June 2023



**GAPBUSTER LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2023**

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	<b>Year Ended 31 March 2023 £</b>	<b>Period Ended 31 March 2022 £</b>
Administrative expenses	24,658	(46,401)
<b>Operating profit/(loss)</b>	<u>24,658</u>	<u>(46,401)</u>
Reversal of impairment	2,023,117	-
<b>Profit/(loss) before tax</b>	<u>2,047,775</u>	<u>(46,401)</u>
Tax on profit	-	-
<b>Profit/(loss) for the financial year</b>	<u><u>2,047,775</u></u>	<u><u>(46,401)</u></u>

There was no other comprehensive income for 2023 (2022:£NIL).

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

## BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Investments	4	2,038,618	15,501
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	29,724	29,724
Creditors: amounts falling due within one year	6	(10,329,610)	(10,354,268)
<b>Net current liabilities</b>		<u>(10,299,886)</u>	<u>(10,324,544)</u>
<b>Total assets less current liabilities</b>		<u>(8,261,268)</u>	<u>(10,309,043)</u>
Creditors: amounts falling due after more than one year	7	(280)	(280)
<b>Net liabilities</b>		<u><u>(8,261,548)</u></u>	<u><u>(10,309,323)</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	227	227
Share premium account	9	1,480,399	1,480,399
Profit and loss account	9	(9,742,174)	(11,789,949)
		<u><u>(8,261,548)</u></u>	<u><u>(10,309,323)</u></u>

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 the board and were signed on its behalf by:

  
**Adam Scott Kaye**  
 Director

Date: 15th June 2023

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

**GAPBUSTER LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Called up share capital</b>	<b>Capital contribution</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 July 2021</b>	227	1,480,399	(11,743,548)	(10,262,922)
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(46,401)	(46,401)
<b>Total comprehensive income for the period</b>	-	-	(46,401)	(46,401)
<b>At 1 April 2022</b>	227	1,480,399	(11,789,949)	(10,309,323)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,047,775	2,047,775
<b>Total comprehensive income for the year</b>	-	-	2,047,775	2,047,775
<b>At 31 March 2023</b>	227	1,480,399	(9,742,174)	(8,261,548)

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

## **GAPBUSTER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **1. General information**

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

The Company had a shortened accounting period from 1 July 2021 to 31 March 2022, therefore the comparative results presented for 2022 represent the 9 month period from 1 July 2021 to 31 March 2022.

#### **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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

##### **2.2 Exemption from preparing consolidated financial statements**

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

##### **2.3 Going concern**

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

On 13 May 2023, Sonata Software Limited, the Company's ultimate parent company, wrote to the Indian Stock Exchange notifying them that the Board of Directors has approved a merger of the Company with Sonata Europe Limited, an intermediate parent entity. This merger is likely to involve a major restructuring that will include the investments held in the Company being transferred to Sonata Europe Limited. As at the date of signing of the statutory accounts, there is no formal agreement for this merger to occur, however the directors have indicated that this is likely to be within the next twelve months. This casts significant doubt on the Company's ability to continue as a going concern, and consequently a material uncertainty exists in relation to the going concern status of the Company.

Should the going concern basis prove to be inappropriate then adjustments may be required to reduce the carrying values of assets to their recoverable amounts, to provide for any additional liabilities that may arise, and to reclassify fixed assets and long-term liabilities respectively.

## GAPBUSTER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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## 2. Accounting policies (continued)

### 2.4 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.6 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.

### 2.7 Creditors

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

### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

**GAPBUSTER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.8 Financial instruments (continued)**

at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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

**3. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £NIL).

**GAPBUSTER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**4. Fixed asset investments**

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
<b>Cost or valuation</b>			
At 1 April 2022	15,501	3,016,861	3,032,362
At 31 March 2023	<u>15,501</u>	<u>3,016,861</u>	<u>3,032,362</u>
<b>Impairment</b>			
At 1 April 2022	-	3,016,861	3,016,861
Reversal for the period	-	(2,023,117)	(2,023,117)
At 31 March 2023	<u>-</u>	<u>993,744</u>	<u>993,744</u>
<b>Net book value</b>			
At 31 March 2023	<u>15,501</u>	<u>2,023,117</u>	<u>2,038,618</u>
At 31 March 2022	<u>15,501</u>	<u>-</u>	<u>15,501</u>

**5. Debtors**

	2023 £	2022 £
Amounts owed by group undertakings	<u>29,724</u>	<u>29,724</u>

**GAPBUSTER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**6. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	794,110	820,869
Accruals and deferred income	8,401	6,300
Preference shares treated as debt	9,527,099	9,527,099
	<u>10,329,610</u>	<u>10,354,268</u>

Included within preference shares are:

Class A shares with a carrying value of £9,527,099. The Class A preference shares are convertible into a fixed number of ordinary shares at the option of the holder, have mandatory conversion upon a qualifying public offering and accumulate a mandatory cumulative 10% preference share dividend. Preference A shareholders have one vote per share and have priority to any claims or rights of shareholders in respect of existing shares or issue of future shares. The shares have no fixed redemption date.

Preference share dividends have not been accrued owing to the net liability position.

**7. Creditors: Amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Preference shares treated as debt	280	280
	<u>280</u>	<u>280</u>

Included within preference shares are:

Class B shares with a carrying value of £140. The class B preference shares are not convertible and accumulate a mandatory cumulative 6% preference dividend.

Class C shares with a carrying value of £140. The class C preference shares are not convertible and accumulate a mandatory cumulative 1% preference dividend.



**GAPBUSTER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**8. Share capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
22,724 (2022 - 22,724) Ordinary shares of £0.01 each	227	227
	<u>227</u>	<u>227</u>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
80,287 (2022 - 80,287) A preference shares shares of £0.01 each	9,527,099	9,527,099
2,821 (2022 - 2,821) B preference shares shares of \$1,000.00 each	140	140
4,641 (2022 - 4,641) C preference shares shares of \$1,000.00 each	140	140
	<u>9,527,379</u>	<u>9,527,379</u>

**9. Reserves**

**Capital contribution**

This includes a capital contribution from the parent company to provide working capital.

**Profit and loss account**

The profit and loss reserve includes within it, cumulative profits which have been retained by the Company and are distributable to shareholder.

**10. Controlling party**

The ultimate parent company 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.

**GAPBUSTER LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Less: overheads</b>		
Administration expenses	24,658	(46,401)
<b>Operating profit/(loss)</b>	<u>24,658</u>	<u>(46,401)</u>
Reversal of impairment	2,023,117	-
<b>Profit/(Loss) for the year/period</b>	<u><u>2,047,775</u></u>	<u><u>(46,401)</u></u>

**GAPBUSTER LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Administration expenses</b>		
Legal and professional	-	1,695
Auditors' remuneration	11,850	4,400
Difference on foreign exchange	(36,508)	40,306
	<u>(24,658)</u>	<u>46,401</u>
	<u><u>(24,658)</u></u>	<u><u>46,401</u></u>

**Registered number: 03889263**

**GAPBUSTER EUROPE LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2023**

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

# GAPBUSTER EUROPE LIMITED

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**GAPBUSTER EUROPE LIMITED**

**COMPANY INFORMATION**

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

## **GAPBUSTER EUROPE LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the financial statements for the year ended 31 March 2023.

The prior period was shortened in order to align the accounting reference date with the worldwide group and so the comparatives relate to the period from 1 July 2021 to 31 March 2022.

#### **Principal activity**

The principal activity of the company is customer experience measurement.

#### **Directors**

The directors who served during the year were:

Adam Scott Kaye

Ankush Patel (resigned 29 November 2022)

Roshan Kumar Shetty (appointed 29 November 2022)

#### **Directors' responsibilities statement**

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

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

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

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

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

#### **Disclosure of information to auditors**

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

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

**GAPBUSTER EUROPE LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Auditors**

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

**Small companies note**

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

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



**Adam Scott Kaye**  
Director

Date: 15th June 2023



### **Opinion**

We have audited the financial statements of Gapbuster Europe Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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.

### **Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which states that a proposal has been made to merge the company with an intermediate parent entity, which is likely to lead to significant restructuring. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

### **Other information**

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

We have nothing to report in this regard.

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

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**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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the

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

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company's policies and procedures relating to:

- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

**GAPBUSTER EUROPE LIMITED**

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

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**Use of our report**

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

*David Chandra*

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

Date: 16 June 2023

**GAPBUSTER EUROPE LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Year Ended 31 March 2023 £</b>	<b>Period Ended 31 March 2022 £</b>
Turnover	1,283,001	1,209,144
Cost of sales	(727,586)	(629,257)
<b>Gross profit</b>	<u>555,415</u>	<u>579,887</u>
Administrative expenses	(946,615)	(913,474)
Other operating income	201,013	147,686
<b>Operating loss</b>	<u>(190,187)</u>	<u>(185,901)</u>
Interest payable and similar charges	(15)	(161)
<b>Loss before tax</b>	<u>(190,202)</u>	<u>(186,062)</u>
Tax on loss	(37,184)	(32,916)
<b>Loss after tax</b>	<u>(227,386)</u>	<u>(218,978)</u>
Retained earnings at the beginning of the year	(1,355,388)	(1,136,410)
	<u>(1,355,388)</u>	<u>(1,136,410)</u>
Loss for the year	(227,386)	(218,978)
<b>Retained earnings at the end of the year</b>	<u>(1,582,774)</u>	<u>(1,355,388)</u>

The notes on pages 10 to 15 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023 £	2022 £
<b>Current assets</b>			
Debtors	4	504,980	512,254
Cash at bank and in hand	5	16,451	42,518
		<u>521,431</u>	<u>554,772</u>
Creditors: amounts falling due within one year	6	(1,107,096)	(913,051)
<b>Net current liabilities</b>		(585,665)	(358,279)
<b>Total assets less current liabilities</b>		<u>(585,665)</u>	<u>(358,279)</u>
<b>Capital and reserves</b>			
Called up share capital	7	1,000	1,000
Capital contribution	8	996,109	996,109
Profit and loss account	8	(1,582,774)	(1,355,388)
		<u>(585,665)</u>	<u>(358,279)</u>

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:



**Adam Scott Kaye**  
Director

Date: 15th June 2023

The notes on pages 10 to 15 form part of these financial statements.

**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1. General information**

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

The financial statements cover the year to 31 March 2023. The prior period was shortened in order to align the accounting reference date with the worldwide group and relate to the period from 1 July 2021 to 31 March 2022.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

The following principal accounting policies have been applied:

**2.2 Going concern**

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

On 13 May 2023, Sonata Software Limited, the Company's ultimate parent company, wrote to the Indian Stock Exchange notifying them that the Board of Directors has approved a merger of the Company with Sonata Europe Limited, an intermediate parent entity. This merger is likely to involve a major restructuring that will include the transfer of trade and hive-up of net assets to Sonata Europe Limited. As at the date of signing of the statutory accounts, there is no formal agreement for this merger to occur, however the directors have indicated that this is likely to be within the next twelve months. This casts significant doubt on the Company's ability to continue as a going concern, and consequently a material uncertainty exists in relation to the going concern status of the Company.

Should the going concern basis prove to be inappropriate then adjustments may be required to reduce the carrying values of assets to their recoverable amounts, to provide for any additional liabilities that may arise, and to reclassify fixed assets and long term liabilities respectively.

**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.4 Revenue**

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

**Rendering of services**

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

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

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.



**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.6 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.7 Current and deferred Taxation**

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

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

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

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

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

**2.8 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.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.10 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.

**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

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

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

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

**3. Employees**

The average monthly number of employees, including directors, during the year was 3 (2022 - 3).

**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**4. Debtors**

	<b>2023</b>	<b>2022</b>
	£	£
Trade debtors	229,212	286,254
Amounts owed by group undertakings	160,593	117,856
Other debtors	11,192	8,124
Prepayments and accrued income	103,983	100,020
	<u>504,980</u>	<u>512,254</u>

**5. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	£	£
Cash at bank and in hand	16,451	42,518
	<u>16,451</u>	<u>42,518</u>

**6. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	£	£
Trade creditors	59,193	46,355
Amounts owed to group undertakings	894,933	639,376
Other taxation and social security	9,234	12,979
Other creditors	4,140	27,804
Accruals and deferred income	139,596	186,537
	<u>1,107,096</u>	<u>913,051</u>

**7. Share capital**

	<b>2023</b>	<b>2022</b>
	£	£
<b>Allotted, called up and fully paid</b>		
1,000 (2022 - 1,000) Ordinary shares of £1.00 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

**GAPBUSTER EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**8. Reserves**

**Capital contribution**

The capital contribution reserve represents capital contributions invested by the parent company.

**Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

**9. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,915 (2022 - 12,068). Contributions totaling £1,466 (2022 - £1,354) were payable to the fund at the reporting date.

**10. Controlling party**

The ultimate parent company is Sonata Software Limited, a company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange. Copies of the group accounts of Sonata Software Limited, the largest and smallest group the company belongs to that prepared consolidated accounts, can be obtained from APS Trust Building, 1/4 Bull Temple Road, N R Colony, Bangalore 560 019, India.

**GAPBUSTER EUROPE LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Turnover	1,283,001	1,209,144
Cost of Sales	(727,586)	(629,257)
<b>Gross profit</b>	<u>555,415</u>	<u>579,887</u>
Other operating income	201,013	147,686
<b>Less: overheads</b>		
Administration expenses	(946,615)	(913,474)
<b>Operating loss</b>	<u>(190,187)</u>	<u>(185,901)</u>
Interest payable	(15)	(161)
Tax on loss on ordinary activities	(37,184)	(32,916)
<b>Loss for the year/period</b>	<u><u>(227,386)</u></u>	<u><u>(218,978)</u></u>

**GAPBUSTER EUROPE LIMITED**  
**SCHEDULE TO THE DETAILED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

---

	<b>2023</b>	<b>2022</b>
	£	£
<b>Turnover</b>		
Sales	1,283,001	1,209,144
	<u>1,283,001</u>	<u>1,209,144</u>
	<b>2023</b>	<b>2022</b>
	£	£
<b>Cost of sales</b>		
Shopper fees	727,586	629,257
	<u>727,586</u>	<u>629,257</u>
	<b>2023</b>	<b>2022</b>
	£	£
<b>Other operating income</b>		
Other operating income	201,013	147,686
	<u>201,013</u>	<u>147,686</u>

**GAPBUSTER EUROPE LIMITED****SCHEDULE TO THE DETAILED ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Administration expenses</b>		
Directors salaries	129,200	90,276
Directors national insurance	15,426	11,525
Directors pension costs	10,212	7,222
Staff salaries	40,656	50,654
Staff national insurance	10,111	5,189
Staff pension costs	6,703	4,846
Staff training	-	317
Staff welfare	2,256	101
Hotels, travel and subsistence	20,258	520
Printing and stationery	1,056	1,760
Postage	157	88
Telephone and fax	1,140	3,231
Computer costs	-	635
Advertising and promotion	4,485	2,178
Trade subscriptions	3,639	2,983
Legal and professional	16,905	8,962
Auditors' remuneration	11,350	13,750
Bank charges	7,017	12,449
Bad debts	(1,602)	-
Difference on foreign exchange	(70,700)	20,371
Sundry expenses	(3,468)	184
Rent - non-operating leases	453	679
Insurances	6,794	5,030
Repairs and maintenance	1,810	-
Depreciation - computer equipment	-	167
Depreciation - fixtures and fittings	-	352
Head office costs	732,757	670,005
	<u>946,615</u>	<u>913,474</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest payable</b>		
Bank interest payable	15	161
	<u>15</u>	<u>161</u>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements**

		AUD	
		As At	As At
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	330,626	312,955
Other non-current assets	4	64,387	64,387
<b>Total non-current assets</b>		<b>395,013</b>	<b>377,342</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	5	5,800,599	4,605,930
Cash and cash equivalents	6	307,998	186,385
Other financial assets	7	1,550	-
Other current assets	8	1,001,974	229,359
<b>Total current assets</b>		<b>7,112,121</b>	<b>5,021,674</b>
<b>TOTAL</b>		<b>7,507,134</b>	<b>5,399,016</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	9	6,921,883	6,921,883
Other equity	10	(5,943,259)	(6,165,195)
<b>Total Equity</b>		<b>978,624</b>	<b>756,688</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deffered Tax Liabilities	11	40,000	40,000
<b>Total Non-current liabilities</b>		<b>40,000</b>	<b>40,000</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	12	765,434	492,352
Borrowings	13	1,651,865	1,707,672
Other financial liabilities	14	2,956,642	1,385,854
Provisions	15	1,114,568	1,016,450
<b>Total Current liabilities</b>		<b>6,488,509</b>	<b>4,602,328</b>
<b>TOTAL</b>		<b>7,507,134</b>	<b>5,399,016</b>



Gapbuster Worldwide Pty Limited  
Notes forming part of the financial statements

					AUD	
		For the quarter ended March 31,2023	For the quarter ended December 31,2022	For the quarter ended March 31,2022	For the year ended March 31, 2023	For the Year ended March 31, 2022
<b>REVENUE</b>						
Revenue from operations	16.1	2,322,152	2,332,619	2,279,950	10,007,821	8,557,401
Other income	16.2	-	-	-	51	10,265
<b>Total revenue</b>		<b>2,322,152</b>	<b>2,332,619</b>	<b>2,279,950</b>	<b>10,007,872</b>	<b>8,567,666</b>
<b>EXPENSES</b>						
Employee benefit expenses	17	1,055,734	1,097,635	1,185,452	4,376,440	4,403,684
Finance costs	18	32,560	34,128	12,212	114,441	45,620
Depreciation and amortization expense	3	26,254	25,337	27,075	89,815	82,900
Other expenses	19	1,244,885	1,276,281	720,551	5,069,915	2,896,292
<b>Total expenses</b>		<b>2,359,434</b>	<b>2,433,381</b>	<b>1,945,290</b>	<b>9,650,611</b>	<b>7,428,496</b>
<b>Profit before tax</b>		<b>(37,281)</b>	<b>(100,761)</b>	<b>334,660</b>	<b>357,261</b>	<b>1,139,170</b>
<b>Tax expense</b>		128,614	-	-	135,325	-
<b>Profit after tax</b>		<b>(165,895)</b>	<b>(100,761)</b>	<b>334,660</b>	<b>221,936</b>	<b>1,139,170</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements**

	AUD	
	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	<b>357,261</b>	<b>1,139,170</b>
Adjustments for :		
Depreciation and amortization expense	89,815	82,900
Finance Costs	114,441	45,620
Interest paid on ICD	99,212	33,352
Allowance for bad & doubtful trade receivables	25,264	(4,670)
Balance written off	-	71
<b>Operating Profit before working capital changes</b>	<b>685,993</b>	<b>1,296,443</b>
Adjustments for :		
Decrease/(increase) in trade receivables	(1,219,933)	(1,975,862)
Decrease/(increase) in other financial assets	(1,550)	-
Decrease/(increase) in other current assets	(772,615)	410,468
(Decrease)/increase in trade payables	273,082	96,080
(Decrease)/increase in other financial liabilities	1,665,480	276,513
(Decrease)/increase in short-term provisions	179,184	93,472
<b>Cash generated from operations</b>	<b>809,640</b>	<b>197,114</b>
Direct taxes/advance tax paid (net)	(209,679)	-
<b>Net cash from operating activities</b>	<b>599,961</b>	<b>197,114</b>
<b>Net cash from operating activities after exceptional items</b>	<b>599,961</b>	<b>197,114</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and	(107,897)	(333,696)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(114,441)	(45,620)
Interest paid on ICD	(99,212)	-
Inter corporate loan from subsidiary	(55,807)	257,672
<b>Net cash from financing activities</b>	<b>(368,671)</b>	<b>178,699</b>
Net increase/(decrease) in cash and cash equivalents	123,394	42,118
Opening cash and cash equivalents	186,385	146,045
<b>Closing cash and cash equivalents</b>	<b>307,998</b>	<b>186,385</b>
Balances with banks		
In Current accounts	307,998	186,385
<b>Total</b>	<b>307,998</b>	<b>186,385</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements**

**3 : Property, Plant and Equipment**

**AUD**

<b>Tangible Assets</b>			
<b>Particulars</b>	<b>Plant and Equipments</b>	<b>Leasehold improvements</b>	<b>Total Tangible Assets</b>
As at 1st April , 2022	3,976,483	-	<b>3,976,483</b>
Additions	107,897	-	<b>107,897</b>
Disposals/Write off	(3,451,173)	-	<b>(3,451,173)</b>
<b>As at March 31, 2023</b>	<b>633,206</b>	-	<b>633,206</b>
<b>Depreciation/ Amortization</b>			
As at 1st April , 2022	3,663,552	-	3,663,552
Charge for the Year	89,815		89,815
Disposals/Write off	(3,450,786)		(3,450,786)
<b>As at March 31, 2023</b>	<b>302,580</b>	-	<b>302,580</b>
<b>Net Block:</b>			
As at 1st April , 2022	<b>312,906</b>	-	<b>312,906</b>
<b>As at March 31, 2023</b>	<b>330,626</b>		<b>330,626</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements**

	As At March 31, 2023	AUD As At March 31, 2022
<b>4 : Other non-current assets</b>		
Rent Deposit	64,387	64,387
	<b>64,387</b>	<b>64,387</b>
<b>5 : Trade receivables</b>		
Unsecured		
Considered good	5,800,599	4,605,930
Considered doubtful	69,294	43,817
	5,869,893	4,649,747
Less : Provision for doubtful trade receivables	69,294	43,817
<b>Total</b>	<b>5,800,599</b>	<b>4,605,930</b>
<b>6 : Cash and cash equivalents</b>		
Cash on hand	560	560
<b>Balances with banks</b>		
In Current accounts	307,438	185,824
<b>Total</b>	<b>307,998</b>	<b>186,385</b>
<b>7 : Other financial assets</b>		
Loans and advances to related parties - Advances received	1,550	-
	<b>1,550</b>	<b>-</b>
<b>8 : Other current assets</b>		
Income Accrued But Not Due - Sales	966,780	168,111
GST & VAT credit receivable	6,481	15,910
Prepayment	28,713	45,337
<b>Total</b>	<b>1,001,974</b>	<b>229,359</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements**

	AUD	
	As At	As At
	March 31, 2023	March 31, 2022
<b>9 : Equity Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
Share capital	6,921,883	6,921,883
<b>Total</b>	<b>6,921,883</b>	<b>6,921,883</b>
<b>10 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(6,165,195)	(7,304,365)
Profit/(loss) for the year	221,936	1,139,170
<b>Total</b>	<b>(5,943,259)</b>	<b>(6,165,195)</b>
<b>11 : Deferred Tax Liabilities</b>		
Deferred tax liabilities (net)	40,000	40,000
<b>Total</b>	<b>40,000</b>	<b>40,000</b>
<b>12 : Trade payables</b>		
Trade payables - other than acceptances	765,434	492,352
<b>Total</b>	<b>765,434</b>	<b>492,352</b>
<b>13 : Borrowings</b>		
Inter corporate loan payable	1,651,865	1,707,671
<b>Total</b>	<b>1,651,865</b>	<b>1,707,671</b>
<b>14 : Other financial liabilities</b>		
Income received in advance (Unearned revenue)	1,505,628	16,839
Interest accrued on Inter-corporate deposits	151,705	52,493
Statutory remittances	86,010	6,027
Provision for expenses, Salary payable & others	1,213,299	1,310,495
<b>Total</b>	<b>2,956,642</b>	<b>1,385,854</b>
<b>15 : Provisions</b>		
Provision for compensated absences	1,114,568	1,016,450
<b>Total</b>	<b>1,114,568</b>	<b>1,016,450</b>

**Gapbuster Worldwide Pty Limited**  
Notes forming part of the financial statements

	AUD				
	For the quarter ended March 31,2023	For the quarter ended December 31,2022	For the quarter ended March 31,2022	For the year ended March 31, 2023	For the year ended 31st March, 2022
<b>16.1 : Revenue from operations</b>					
Revenue from software services	2,017,063	1,871,226	1,695,108	8,270,149	5,977,489
Service charges	305,089	461,394	584,842	1,737,672	2,579,912
<b>Total</b>	<b>2,322,152</b>	<b>2,332,619</b>	<b>2,279,950</b>	<b>10,007,821</b>	<b>8,557,401</b>
<b>16.2 : Other income</b>					
Interest income	-	-	-	51	265
Provision no longer required written back	-	-	-	-	10,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>10,265</b>
<b>17 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	1,044,403	1,081,894	1,160,910	4,310,052	4,360,052
Staff welfare expenses	11,332	15,741	24,542	66,389	43,632
<b>Total</b>	<b>1,055,734</b>	<b>1,097,635</b>	<b>1,185,452</b>	<b>4,376,440</b>	<b>4,403,684</b>
<b>18 : Finance costs</b>					
Lease rental discounted	4,063	3,809	3,393	15,229	3,789
Interest on ICD	28,497	30,320	8,819	99,212	33,352
Interest others	-	-	-	-	8,479
<b>Total</b>	<b>32,560</b>	<b>34,128</b>	<b>12,212</b>	<b>114,441</b>	<b>45,620</b>
<b>19 : Other expenses</b>					
Power and fuel	4,360	2,100	1,400	12,735	8,423
Rent	33,206	28,682	46,531	141,612	188,233
Repairs and maintenance - Machinery	34,977	37,460	46,375	148,215	283,551
Insurance	1,766	1,996	2,190	8,677	11,377
Rates and taxes	-	-	-	-	23,177
Communication cost	50,223	58,361	27,669	194,571	106,625
Facility maintenance	3,414	6,192	2,079	23,037	10,357
Travelling and conveyance expenses	13,554	24,983	-	80,908	-
Shoppers Fees & Call centre cost	921,878	660,969	537,759	3,367,362	2,072,442
Professional Fees	(9,396)	15,555	9,120	29,450	49,768
Legal fees	2,100	(400)	1,683	11,350	1,683
Insourcing professional fees	100,415	100,195	-	308,670	-
Net loss on foreign currency transaction and translation	(4,266)	354,609	(1,349)	599,570	41,420
Bad debts	-	-	(4,614)	-	(4,614)
Provision for doubtful trade receivables	56,648	(5,222)	-	25,264	(4,670)
Payment to auditors	-	-	2,125	-	9,884
Miscellaneous expenses	36,008	(9,199)	49,583	118,492	98,637
<b>Total</b>	<b>1,244,885</b>	<b>1,276,281</b>	<b>720,551</b>	<b>5,069,915</b>	<b>2,896,292</b>

**Quant Systems INC**  
**Consolidated Balance Sheet as at March 31, 2023**

		USD	
		As at	As at
	Note No.	March 31, 2023	March 9, 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	<b>3</b>	3,145,033	3,152,694
Right-of-use assets		241,511	253,536
		<b>3,386,544</b>	<b>3,406,230</b>
Financial assets			
Investments	<b>4</b>	2,332,206	2,317,206
Other financial assets	<b>5</b>	102,195	103,034
<b>Total non-current assets</b>		<b>2,434,401</b>	<b>2,420,240</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	<b>6</b>	7,870,639	7,764,314
Cash and cash equivalents	<b>7</b>	12,663,679	10,685,013
Other financial assets	<b>8</b>	88,762	1,150,954
Other current assets	<b>9</b>	114,900	67,242
<b>Total current assets</b>		<b>20,737,980</b>	<b>19,667,523</b>
<b>Total assets</b>		<b>26,558,925</b>	<b>25,493,992</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	<b>10</b>	9,800	9,800
Other equity	<b>11</b>	15,678,245	14,980,172
<b>Total Equity</b>		<b>15,688,045</b>	<b>14,989,972</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Other non-current liabilities	<b>12</b>	75,315	73,839
Deferred tax liability	<b>13</b>	849,503	993,568
<b>Total non-current liabilities</b>		<b>924,818</b>	<b>1,067,407</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables		4,288,096	4,174,860
Other current liabilities	<b>14</b>	1,573,280	1,522,934
Provisions	<b>15</b>	44,685	42,518
Current tax liabilities	<b>16</b>	4,040,001	3,696,301
<b>Total current liabilities</b>		<b>9,946,062</b>	<b>9,436,613</b>
<b>Total equity and liabilities</b>		<b>26,558,925</b>	<b>25,493,992</b>

**Quant Systems INC****Statement of consolidated Profit and Loss for the period ended 31st March 2023**

		<b>USD</b>
		<b>For the period</b>
		<b>March 10 2023 to</b>
	<b>Note No.</b>	<b>March 31, 2023</b>
<b>REVENUE</b>		
Revenue from operations	<b>17.1</b>	2,631,992
Other income	<b>17.2</b>	34,786
<b>Total revenue</b>		<b>2,666,778</b>
<b>EXPENSES</b>		
Employee benefit expenses	<b>18</b>	866,918
Finance costs	<b>19</b>	1,643
Depreciation and amortization expense	<b>3</b>	14,555
Other expenses	<b>20</b>	878,420
<b>Total expenses</b>		<b>1,761,536</b>
<b>Profit before tax</b>		905,242
<b>Tax expense</b>		
Current tax expense		343,935
Deferred tax		(144,079)
<b>Net tax expense</b>		<b>199,856</b>
<b>Profit after tax</b>		<b>705,386</b>



Quant Systems INC  
Cash Flow Statement for period ended March 31, 2023

USD

Year ended  
March 31, 2023

**A. CASH FLOW FROM OPERATING ACTIVITIES**

<b>Net profit before tax</b>	<b>905,242</b>
Adjustments for :	
Depreciation and amortization expense	14,555
Excess of carrying costs over fair value of current investments	(15,000)
Interest expense	1,643
Allowance for bad & doubtful trade receivables	(8,847)
Interest income	(19,786)
<b>Operating Profit before working capital changes</b>	<b>877,807</b>

Adjustments for :	
Decrease/(increase) in trade receivables	(106,326)
Decrease/(increase) in other current assets	(47,658)
Decrease/(increase) in other financial assets	1,062,192
Decrease/(increase) in other non-current financial assets	839
(Decrease)/increase in trade payables	113,236
(Decrease)/increase in other current liabilities	50,346
(Decrease)/increase in non-current liabilities	1,476
<b>Cash generated from operations</b>	<b>1,951,912</b>

Direct taxes/advance tax paid (net) -

**Net cash from operating activities** 1,951,912

**Net cash from operating activities after exceptional items** 1,951,912

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Interest received	19,786
<b>Net cash flow from investing activities</b>	<b>19,786</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

**Net cash from financing activities** -

Net increase/(decrease) in cash and cash equivalents 1,971,698

Opening cash and cash equivalents 10,685,013

Exchange difference on translation of foreign currency cash and cash equivalents 6,968

**Closing cash and cash equivalents** 12,663,679

Cash and cash equivalents at the end of the year Comprises :

Cash on hand 656

Balances with banks

In Current accounts 12,663,023

**Total** 12,663,679

Quant Systems INC  
Notes forming part of the financial statements

**3 : Property, Plant and Equipment**

USD

	Buildings	Office Equipments	Furniture and Fixtures	Plant and Equipments	
<b>As at Mar 09, 2023</b>	<b>3,090,106</b>	<b>171</b>	<b>89,249</b>	<b>90,316</b>	<b>3,269,843</b>
Additions	-	-	-	-	-
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2023</b>	<b>3,090,106</b>	<b>171</b>	<b>89,249</b>	<b>90,316</b>	<b>3,269,843</b>

**Depreciation/ Amortization**

<b>As at Mar 09, 2023</b>	-		<b>83,638</b>	<b>33,510</b>	<b>117,149</b>
Charge for the year	4,519	3	627	2,512	<b>7,661</b>
Disposals/Write off	-		-	-	-
<b>As at Mar 31, 2023</b>	<b>4,519</b>	<b>3</b>	<b>84,266</b>	<b>36,022</b>	<b>124,810</b>

**Net Block**

<b>As at Mar 09, 2023</b>	3,090,106	171	5,611	56,805	3,152,694
<b>As at Mar 31, 2023</b>	<b>3,085,587</b>	<b>168</b>	<b>4,984</b>	<b>54,293</b>	<b>3,145,033</b>

**Quant Systems INC**  
**Notes forming part of financial statements**

	USD	
	As at	As at
	March 31, 2023	March 9, 2023
<b>4 : Investments</b>		
<b>Trade, Long-term, unquoted and at cost</b>		
<b>In subsidiary companies</b>		
Investment-Edward Jones	832,206	817,206
Investment - Woodshed	1,500,000	1,500,000
<b>Total</b>	<b>2,332,206</b>	<b>2,317,206</b>
<b>5 : Other financial assets</b>		
Security deposits	102,195	103,034
<b>Total</b>	<b>102,195</b>	<b>103,034</b>
<b>6 : Trade receivables</b>		
Unsecured		
Considered good	7,870,639	7,764,314
Considered doubtful	157,118	165,965
	8,027,758	7,930,279
Less : Provision for doubtful trade receivables	157,118	165,965
<b>Total</b>	<b>7,870,639</b>	<b>7,764,314</b>
<b>7 : Cash and cash equivalents</b>		
Cash on hand	656	1,056
In Current accounts	12,663,023	10,683,957
<b>Total</b>	<b>12,663,679</b>	<b>10,685,013</b>
<b>8 : Other financial assets</b>		
Unbilled revenue	88,762	1,150,954
<b>Total</b>	<b>88,762</b>	<b>1,150,954</b>
<b>9 : Other current assets</b>		
Prepaid expenses	58,880	13,641
Balances with government authorities		
GST input	56,020	53,601
Closing Stock Traded Products	-	-
Other recoverables	-	-
<b>Total</b>	<b>114,900</b>	<b>67,242</b>
<b>10 : Equity Share capital</b>		
<b>Authorized</b>		
\$ .80 par value 10,000,000 shares each fully paid-up		
<b>Issued, Subscribed and paid-up</b>		
\$ .80 par value 12308 shares each fully paid-up	9,800	9,800
<b>Total</b>	<b>9,800</b>	<b>9,800</b>
<b>11 : Other equity</b>		
Opening balance	14,980,172	14,980,172
Add : Forex translation through OCI	(7,313)	-
Profit for the period	705,386	-
<b>Total</b>	<b>15,678,245</b>	<b>14,980,172</b>
<b>12 : Other non-current liabilities</b>		
Lease Liabilities-Non Current	75,315	73,839
<b>Total</b>	<b>75,315</b>	<b>73,839</b>
<b>13 : Deferred tax liability</b>		
Deferred tax liability	849,503	993,568
<b>Total</b>	<b>849,503</b>	<b>993,568</b>

**14 : Other current liabilities**

Lease Liabilities	163,981	164,361
Purchase consideration payable	1,250,000	1,250,000
Statutory remittances	122,790	108,574
Others	36,510	-
<b>Total</b>	<b>1,573,280</b>	<b>1,522,934</b>

**15 : Provisions**

Provision for compensated absences	44,685	42,518
<b>Total</b>	<b>44,685</b>	<b>42,518</b>

**16 : Current tax liabilities**

Provision for tax	4,040,001	3,696,301
<b>Total</b>	<b>4,040,001</b>	<b>3,696,301</b>

Quant Systems INC  
Notes forming part of financial statements

USD

For the period  
March 10 2023 to  
March 31, 2023

**17.1 : Revenue from operations**

Revenue from software services	2,631,992
<b>Total</b>	<b>2,631,992</b>

**17.2 : Other income**

Interest income	19,786
Net gain on excess of fair value over carrying costs of current investmen	15,000
<b>Total</b>	<b>34,786</b>

**18 : Employee benefit expenses**

Salaries, wages, bonus and allowances	856,359
Staff welfare expenses	9,781
<b>Total</b>	<b>866,918</b>

**19: Finance costs**

Interest expense	
Interest expense - unwinding rent deposit	1,643
<b>Total</b>	<b>1,643</b>

**20 : Other expenses**

Insurance	439
Communication cost	2,966
Facility maintenance	546
Travelling and conveyance expenses	16,298
Professional and technical fees	743
Insourcing professional fees	717,163
Provision for doubtful trade receivables	(8,847)
Miscellaneous expenses	147,384
<b>Total</b>	<b>878,420</b>

**Registered number: 05945409**

**SONATA EUROPE LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2023**

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

# SONATA EUROPE LIMITED

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**SONATA EUROPE LIMITED**

**COMPANY INFORMATION**

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**Directors**

Uttam Hazari  
Mangal Kulkarni  
Amit Kumar

**Registered number**

05945409

**Registered office**

11th Floor (West)  
The Mille  
1000 Great West Road  
Brentford  
Middlesex  
TW8 9DW

**Independent auditors**

Lubbock Fine LLP  
Chartered Accountants & Statutory Auditors  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB

**Bankers**

State Bank of India  
15 King Street  
London EC2V 8EA

Standard Chartered  
1 Basinghall Ave  
London EC2V 5DD



## SONATA EUROPE LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their strategic report on the Company for the year ended 31 March 2023.

#### Business review

The principal activity of the company during the year was that of Software development, IT consulting and allied services.

The results for the period and the financial position of the Company are shown in the financial statements. The Company has earned a profit after tax for the year ended 31 March 2023 of £1,498,914 (2022: £2,071,152).

The Company has achieved higher revenues compared to last year (£20,355,982 from £13,468,637), the growth in revenue comes from existing business as well as new clients added during FY 23.

The cost increase is primarily driven by increase in employee cost, higher insourcing costs and software project fees.

#### Principal risks and uncertainties

Nature of risk	Risk Explanation	Risk Mitigation
<b>Economic risk</b>	The Company's business may be adversely impacted by unforeseen economic reforms and events in the country it serves in.	Three years ago, when the Covid-19 pandemic began, it catapulted many organizations into the future, rapidly accelerating digital transformation. Work culture changed overnight, and remote working became the new normal. Demand for digitalization and cloud migration surged significantly while on the other hand supply chain constraints became a major barrier to capture the growth opportunities across the sector. The talent shortage is expected to remain a concern in 2023 for the IT industry.  The Company has a diversified geographical presence and has always maintained healthy and longstanding relationship with its clients by partnering with them as their IT solution provider and adding value to their businesses. These have resulted in minimal impact to the overall business of the company.
<b>Concentration risk</b>	The regional concentration as well as vertical concentration can adversely impact the Company's business in case of a slowdown.	The Company continues to further diversify its business in terms of regional and vertical exposure on an ongoing basis. 10 new clients added during FY 23.

**SONATA EUROPE LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

<p><b>Competition risk</b></p>	<p>The Company operates in a competitive business environment. A loss of clients can impact the regular cash flows.</p>	<p>The company seeks to differentiate itself from its competitors with the following strong differentiated strategies:</p> <p>Platformation™ approach which includes proprietary IP, frameworks, industry specific trademark solution architecture components, and digital library of processes.</p> <p>In early FY2022, the Company had launched 'CXe', a unique enhanced integrated CX management solutions developed using the Platformation™ approach. This is a compelling offering from designed for customers worldwide looking for comprehensive end-to-end CX solutions in the post-pandemic world that addresses the challenges with traditional solutions.</p> <p>The combination of IP, relationships, and financials create significant competition differentiators.</p>
<p><b>Regulatory risk</b></p>	<p>The Company operates across several nations including the UK and Europe. Any changes in law, regulations and taxation framework may affect the business operations.</p>	<p>The Company has a professional team and advisers to mitigate this risk on a continuous basis.</p>

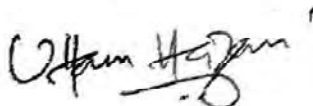
**Financial key performance indicators**

The key performance indicators of the Company are the turnover of the Company, which has increased to £20,355,982 from £13,468,637, and its profit after tax, which has decreased to £1,498,914 from £2,071,152.

10 new customers added during the year.

The Company has healthy Cash position of £960,155 as at 31 March 23.

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



**Uttam Hazari**  
Director



**Amit Kumar**  
Director

Date: 08.05.2023

## **SONATA EUROPE LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the financial statements for the year ended 31 March 2023.

#### **Directors' responsibilities statement**

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

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

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

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

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,498,914 (2022 - £2,071,152).

The Company paid no dividends for the year ended 31 March 2023 (2022: £2,749,191).

#### **Directors**

The directors who served during the year were:

Uttam Hazari  
Mangal Kulkarni  
Amit Kumar

#### **Future developments**

The Company continues to grow their client base and to develop their Platformation strategy.

#### **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.

**SONATA EUROPE LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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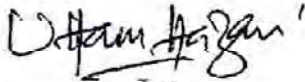
**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

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

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



**Uttam Hazari**  
Director

Date: 08.05.2023



**Amit Kumar**  
Director

Date: 8th May 2023

**Opinion**

We have audited the financial statements of Sonata Europe Limited (the 'Company') for the year ended 31 March 2023, 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 2023 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**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

**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*

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

Date: 11 May 2023



**SONATA EUROPE LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2023**

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		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
Turnover	4	20,355,982	13,468,637
Cost of sales		(15,802,653)	(9,242,733)
<b>Gross profit</b>		<u>4,553,329</u>	<u>4,225,904</u>
Administrative expenses		(2,858,493)	(1,618,624)
<b>Operating profit</b>	5	<u>1,694,836</u>	<u>2,607,280</u>
Interest receivable and similar income	9	57,672	16,969
Interest payable and similar expenses	10	(2,654)	-
<b>Profit before tax</b>		<u>1,749,854</u>	<u>2,624,249</u>
Tax on profit	11	(250,940)	(553,097)
<b>Profit for the financial year</b>		<u><u>1,498,914</u></u>	<u><u>2,071,152</u></u>

There was no other comprehensive income for 2023 (2022:£NIL).

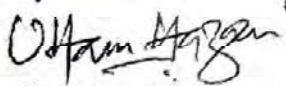
The notes on pages 15 to 26 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2023

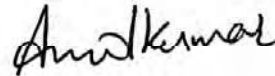
	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	-	3,227
Investments	14	3,559,555	3,559,555
		<u>3,559,555</u>	<u>3,562,782</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	11,379,980	8,052,278
Cash at bank and in hand	16	960,155	1,934,897
		<u>12,340,135</u>	<u>9,987,175</u>
Creditors: amounts falling due within one year	17	(2,805,737)	(2,036,184)
<b>Net current assets</b>		<u>9,534,398</u>	<u>7,950,991</u>
<b>Total assets less current liabilities</b>		<u>13,093,953</u>	<u>11,513,773</u>
Creditors: amounts falling due after more than one year		(81,266)	-
<b>Net assets</b>		<u><u>13,012,687</u></u>	<u><u>11,513,773</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	2,460,360	2,460,360
Other reserves	20	3,235,440	3,235,440
Profit and loss account	20	7,316,887	5,817,973
		<u>13,012,687</u>	<u>11,513,773</u>

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



Uttam Hazari  
Director

Date: 08.05.2023



Amit Kumar  
Director

Date: 5/8/2023 (8 May 2023)

The notes on pages 15 to 26 form part of these financial statements.

**SONATA EUROPE LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
<b>At 1 April 2021</b>	2,460,360	3,235,440	6,496,012	12,191,812
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,071,152	2,071,152
<b>Total comprehensive income for the year</b>	-	-	2,071,152	2,071,152
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(2,749,191)	(2,749,191)
<b>At 1 April 2022</b>	2,460,360	3,235,440	5,817,973	11,513,773
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,498,914	1,498,914
<b>Total comprehensive income for the year</b>	-	-	1,498,914	1,498,914
<b>At 31 March 2023</b>	2,460,360	3,235,440	7,316,887	13,012,687

The notes on pages 15 to 26 form part of these financial statements.

**SONATA EUROPE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,498,914	2,071,152
<b>Adjustments for:</b>		
Depreciation of tangible assets	3,227	3,515
Interest received	(57,672)	(16,969)
Taxation charge	250,940	706,698
(Increase) in debtors	(3,345,053)	(126,743)
Increase in creditors	866,657	767,781
Corporation tax (paid)	(230,344)	(991,023)
Foreign exchange	(19,083)	(7,227)
<b>Net cash generated from operating activities</b>	<u>(1,032,414)</u>	<u>2,407,184</u>
<b>Cash flows from investing activities</b>		
Sale of fixed asset investments	-	286,794
Interest received	57,672	16,969
<b>Net cash from investing activities</b>	<u>57,672</u>	<u>303,763</u>
<b>Cash flows from financing activities</b>		
Dividends paid	-	(2,749,191)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(2,749,191)</u>
<b>Net (decrease) in cash and cash equivalents</b>	<u>(974,742)</u>	<u>(38,244)</u>
Cash and cash equivalents at beginning of year	1,934,897	1,973,141
<b>Cash and cash equivalents at the end of year</b>	<u>960,155</u>	<u>1,934,897</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	960,155	1,934,897
	<u>960,155</u>	<u>1,934,897</u>

The notes on pages 15 to 26 form part of these financial statements.

**SONATA EUROPE LIMITED**  
**ANALYSIS OF NET DEBT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>At 1 April 2022 £</b>	<b>Cash flows £</b>	<b>At 31 March 2023 £</b>
Cash at bank and in hand	1,934,897	(974,742)	960,155
	<u>1,934,897</u>	<u>(974,742)</u>	<u>960,155</u>

The notes on pages 15 to 26 form part of these financial statements.

## SONATA EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2023

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#### 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 business is 11th Floor (West), The Mille, 1000 Great West Road, Brentford TW8 9DW.

#### 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sonata Software Limited as at 31 March 2023 and these financial statements may be obtained from APS Trust Building, 1/4 Bull Temple Road, N R Colony, Bangalore 560 019, India.

##### 2.3 Consolidation

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

**2. Accounting policies (continued)**

**2.4 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.

**2.5 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 profit or loss.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Debtors**

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

**2. Accounting policies (continued)**

**2.8 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.

**2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

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

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

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

**2.10 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.

**2.11 Foreign currency translation**

**Functional and presentation currency**



**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.11 Foreign currency translation (continued)**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.12 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.14 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss 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.

**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.15 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.16 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.17 Taxation**

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

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

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

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

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

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are considered to be no key sources of estimation uncertainty or judgements which would have a significant impact on the amounts recognised in the financial statements.

**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2023</b>	<b>2022</b>
	£	£
Provision of services	20,355,982	13,468,637
	<u>20,355,982</u>	<u>13,468,637</u>

Analysis of turnover by country of destination:

	<b>2023</b>	<b>2022</b>
	£	£
United Kingdom	6,947,211	5,576,340
Rest of Europe	11,466,480	7,170,933
Rest of the world	1,942,291	721,364
	<u>20,355,982</u>	<u>13,468,637</u>

**5. Operating profit**

The operating profit is stated after charging:

	<b>2023</b>	<b>2022</b>
	£	£
Tangible fixed assets - depreciation	3,227	3,515
Exchange differences	(173,051)	40,347
Other operating lease rentals	28,185	35,093
	<u>28,185</u>	<u>35,093</u>

**6. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	<b>2023</b>	<b>2022</b>
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	17,750	16,000

**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,083,372	659,524
Social security costs	132,117	65,579
Cost of defined contribution scheme	8,898	4,906
	<u>1,224,387</u>	<u>730,009</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Employees	<u>8</u>	<u>4</u>

**8. Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<u>192,841</u>	<u>225,056</u>

Included within the amount disclosed as director's remuneration, is a balance for the accrued sales incentive bonus, which is yet to be allocated between the Directors. The maximum amount to be allocated is £33,975 (2022: £202,910).

**9. Interest receivable**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable from group companies	<u>57,672</u>	<u>16,969</u>

**10. Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other loan interest payable	<u>2,654</u>	<u>-</u>

**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**11. Taxation**

	<b>2023</b>	<b>2022</b>
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	368,909	553,097
Adjustments in respect of previous periods	(117,969)	-
<b>Total current tax</b>	<u>250,940</u>	<u>553,097</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	<b>2023</b>	<b>2022</b>
	£	£
Profit on ordinary activities before tax	<u>1,749,854</u>	<u>2,624,249</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	332,472	498,607
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,401	1,178
Capital allowances for year in excess of depreciation	400	-
Adjustments to tax charge in respect of prior periods	(117,969)	-
Short-term timing difference leading to an increase (decrease) in taxation	(26,943)	52,059
Changes in provisions leading to an increase (decrease) in the tax charge	66,139	1,253
Double taxation relief	36,435	-
Group relief	(40,995)	-
<b>Total tax charge for the year</b>	<u>250,940</u>	<u>553,097</u>

**Factors that may affect future tax charges**

The UK main corporation tax rate will be increased to 25% applying to profits over £250,000 (effective from 1 April 2023) following the Chancellor's Budget on 14 October 2022. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. The effects of these changes have been reflected in the financial statements.

**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**12. Dividends**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Ordinary shares	-	2,700,000
2% redeemable convertible preference shares	-	49,191
	<u>-</u>	<u>2,749,191</u>
	<u><u>-</u></u>	<u><u>2,749,191</u></u>

**13. Tangible fixed assets**

	<b>Short-term leasehold property</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2022	93,005	24,595	117,600
At 31 March 2023	<u>93,005</u>	<u>24,595</u>	<u>117,600</u>
<b>Depreciation</b>			
At 1 April 2022	93,005	21,368	114,373
Charge for the year on owned assets	-	3,227	3,227
At 31 March 2023	<u>93,005</u>	<u>24,595</u>	<u>117,600</u>
<b>Net book value</b>			
At 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	<u>-</u>	<u>3,227</u>	<u>3,227</u>
	<u><u>-</u></u>	<u><u>3,227</u></u>	<u><u>3,227</u></u>

**14. Fixed asset investments**

	<b>Investments in subsidiary companies</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2022	3,559,555
At 31 March 2023	<u>3,559,555</u>
	<u><u>3,559,555</u></u>

**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**14. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
GAPbuster Limited	11th Floor, The Mille, 1000 Great West Road, Brentford, TW8 9DW United Kingdom	Ordinary	100%
GAPbuster Europe Limited (*)	11th Floor, The Mille, 1000 Great West Road, Brentford, TW8 9DW, United Kingdom	Ordinary	100%
GAPbuster Worldwide Pty Limited (*)	Level 2, 80 Cocas Street, South Melbourne, VIC 3205, Australia	Ordinary	100%
GAPbuster China Co. Limited (*)	Room 201-24, 15/152 Yanchang Road, Zhabei District, Shanghai, China	Ordinary	100%
GAPbuster Worldwide Malaysia Sbn. BHd (*)	Petaling Jaya, Selangor, Malaysia	Ordinary	100%
GAPbuster Inc (*)	Corporation Trust Center, 1209 Orange Street, Wilimington, 19801 Delaware, USA	Ordinary	100%
GAPbuster Kabushiki Kaisha (*)	Maple Yoyogi 4F, SHIBUYA-KU, 151-0053, Tokyo, Japan	Ordinary	100%

\* held indirectly

The principal activity of each of the above companies is that of customer experience management.

**15. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,813,878	2,763,606
Amounts owed by group undertakings	4,328,562	4,134,209
Other debtors	176,030	193,381
Prepayments and accrued income	3,061,510	961,082
	<u>11,379,980</u>	<u>8,052,278</u>

**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**16. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	960,155	1,934,897

**17. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	296,166	-
Amounts owed to group undertakings	927,187	600,916
Corporation tax	119,867	135,705
Other taxation and social security	89,303	197,167
Other creditors	415,432	396,409
Accruals and deferred income	957,782	705,987
	<u>2,805,737</u>	<u>2,036,184</u>

**18. Creditors: Amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	81,266	-

Included in accruals and deferred income is a balance of £81,266 (2022: £nil) which relates to a long term incentive plan. The plan is payable to an employee and is due for payment on 31 March 2026. The amount payable will depend on the performance of the parent company's revenues.

**19. Share capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
800 (2022 - 800) Ordinary shares of £1.00 each	800	800
2,459,560 (2022 - 2,459,560) 2% redeemable convertible preference shares of £1.00 each	2,459,560	2,459,560
	<u>2,460,360</u>	<u>2,460,360</u>



**SONATA EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**20. Reserves**

Called up share capital

Represents the nominal value of shares that have been issued.

**Capital redemption reserve**

The capital redemption reserve comprises the nominal value of own shares that have been acquired by the Company and cancelled.

**Profit and loss account**

Represents the retained profits of the Company.

**21. Pension commitments**

The Company maintains a defined contribution scheme for employees. The charge for the year was £8,898 (2022: £4,906). At the balance sheet date an amount of £4,496 (2022: £1,457) was outstanding in relation to unpaid pension contributions.

**22. Commitments under operating leases**

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	33,150	33,150
Later than 1 year and not later than 5 years	59,125	92,275
	<u>92,275</u>	<u>125,425</u>

**23. Controlling party**

The ultimate parent company is Sonata Software Limited, a company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange. Copies of the group accounts of Sonata Software Limited, the largest and smallest group the company belongs to that prepared consolidated accounts, can be obtained from APS Trust Building, 1/4 Bull Temple Road, N R Colony, Bangalore 560 019, India.

**Registered number: 05945409**

**SONATA EUROPE LIMITED**

**DETAILED ACCOUNTS**

**YEAR ENDED 31 MARCH 2023**

**SONATA EUROPE LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Turnover	20,355,982	13,468,637
Cost Of Sales	(15,802,653)	(9,242,734)
<b>Gross profit</b>	<u>4,553,329</u>	<u>4,225,903</u>
<b>Less: overheads</b>		
Administration expenses	(2,830,308)	(1,583,528)
Establishment expenses	(28,185)	(35,095)
<b>Operating profit</b>	<u>1,694,836</u>	<u>2,607,280</u>
Interest receivable	57,672	16,969
Interest payable	(2,654)	-
Tax on profit on ordinary activities	(250,940)	(553,097)
<b>Profit for the year</b>	<u><u>1,498,914</u></u>	<u><u>2,071,152</u></u>

**SONATA EUROPE LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

	<b>2023</b>	<b>2022</b>
	£	£
<b>Turnover</b>		
Sales - Domestic	6,947,211	5,576,073
Sales - Rest of Europe	11,466,480	7,170,933
Sales - Rest of World	1,942,291	721,364
Other income - Domestic	-	267
	<u>20,355,982</u>	<u>13,468,637</u>
	<u><u>20,355,982</u></u>	<u><u>13,468,637</u></u>
	<b>2023</b>	<b>2022</b>
	£	£
<b>Cost of sales</b>		
Direct manufacturing costs	15,481,526	8,548,419
Commissions payable	261,928	63,991
Licences	59,199	630,324
	<u>15,802,653</u>	<u>9,242,734</u>
	<u><u>15,802,653</u></u>	<u><u>9,242,734</u></u>

**SONATA EUROPE LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	£	£
<b>Administration expenses</b>		
Directors national insurance	21,761	2,895
Directors salaries	192,841	225,056
Staff salaries	890,531	434,468
Staff private health insurance	864	2,004
Staff national insurance	110,356	62,684
Staff pension costs - defined contribution schemes	8,898	4,906
Staff welfare	113,213	77,769
Entertainment	3,324	147
Hotels, travel and subsistence	432,063	19,662
Postage	929	14
Telephone and fax	5,828	3,222
Advertising and promotion	34,226	5,744
Trade subscriptions	83	-
Legal and professional	972,004	660,161
Auditors' remuneration	17,750	16,000
Bank charges	15,740	7,780
Bad debts	128,362	(24,936)
Discounts allowed	8,977	2,112
Difference on foreign exchange	(173,051)	40,347
Sundry expenses	2,910	(273)
Rates	16,736	22,905
Insurances	2,105	2,152
Repairs and maintenance	20,631	15,194
Depreciation - fixtures and fittings	3,227	3,515
	<u>2,830,308</u>	<u>1,583,528</u>
	<b>2023</b>	<b>2022</b>
	£	£
<b>Establishment</b>		
Rent	28,185	35,095
	<u>28,185</u>	<u>35,095</u>
	<b>2023</b>	<b>2022</b>
	£	£
<b>Interest receivable</b>		
Group interest receivable	57,672	16,969
	<u>57,672</u>	<u>16,969</u>

**SONATA EUROPE LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest payable</b>		
Other loan interest payable	2,654	-
	<u>2,654</u>	<u>-</u>

**SONATA SOFTWARE (QATAR) LLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2023**

**SONATA SOFTWARE (QATAR) LLC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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Statement of changes in equity	7
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**SONATA SOFTWARE (QATAR) LLC**

**OFFICERS AND PROFESSIONAL ADVISERS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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

**SONATA SOFTWARE (QATAR) LLC**

**THE REPORT OF THE GENERAL MANAGER**

**FOR THE YEAR ENDED 31 MARCH 2023**

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The general manager has pleasure in presenting his report and the financial statements for the year ended 31 March 2023.

**PRINCIPAL ACTIVITIES**

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

**RESULTS**

The results for the year and the Company's financial position as at 31 March 2023 are shown in the attached financial statements.

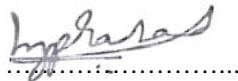
**GENERAL MANAGER**

As at 31 March 2023, the general manager of the Company is Mr. Mysore Prasad and he did not hold any shares in the Company.

**INDEPENDENT AUDITORS**

Russell Bedford Mohamed Al Hashmi Auditors and Accountants have indicated their willingness to remain in office and a resolution to re-appoint them as auditor will be proposed at the Annual General Meeting.

Approved on .....May 29, 2023..... and signed by:



.....  
Mr. Mysore Prasad  
General Manager

# Russell Bedford Mohamed Al Hashmi Auditors & Accountants

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

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

30 May 2023

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

## **INDEPENDENT AUDITOR'S REPORT**

### **Opinion**

We have audited the financial statements of Sonata Software (Qatar) LLC (the "Company") which comprise the statement of financial position as at 31 March 2023 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 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for Opinion**

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

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

Without qualifying our opinion, we draw attention to note 2, which explains that these financial statements have been prepared on a going concern basis notwithstanding that the Company had accumulated losses of USD 35,848 as at 31 March 2023 (2022: USD 766,808). The continuation of the Company's operations is dependent upon future profitable operations, continued financial support of the Parent Company and ability of the Company to generate sufficient cash flows to meet its future obligations.

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

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

# Russell Bedford Mohamed Al Hashmi Auditors & Accountants

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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



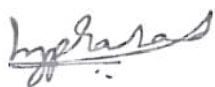
**Russell Bedford Mohamed Al Hashmi**  
**Auditors & Accountants**  
**Dubai, United Arab Emirates**

**SONATA SOFTWARE (QATAR) LLC****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Notes	2023 USD	2022 USD
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	-	5,847
Prepayments and security deposits	5	5,348	5,322
Amounts due from a related party	6	27,175	22,950
<b>TOTAL ASSETS</b>		<u>32,523</u>	<u>34,119</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Amounts due to a related party	6	-	735,835
Accruals and other payables	7	13,291	10,012
<b>TOTAL LIABILITIES</b>		<u>13,291</u>	<u>745,847</u>
<b>EQUITY</b>			
Share capital	8	55,080	55,080
Accumulated losses		(35,848)	(766,808)
<b>TOTAL EQUITY</b>		<u>19,232</u>	<u>(711,728)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>32,523</u>	<u>34,119</u>

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

These financial statements were approved by the general manager and authorised for issue on May.29.2023 and are by:



.....  
Mr. Mysore Prasad  
General Manager

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

**SONATA SOFTWARE (QATAR) LLC****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	For the year ended 31 March 2023 USD	For the year ended 31 March 2022 USD
Revenue	9	-	62,448
Cost of services		-	(62,448)
<b>GROSS PROFIT FOR THE YEAR</b>		-	-
General and administrative expenses	10	(26,080)	(47,358)
Amounts due to a related party written-off	6	757,040	-
<b>NET INCOME / (LOSS) FOR THE YEAR</b>		730,960	(47,358)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		730,960	(47,358)

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

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

**SONATA SOFTWARE (QATAR) LLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2023**

---

	<b>Share capital USD</b>	<b>Accumulated losses USD</b>	<b>Total USD</b>
As at 1 April 2021	55,080	(719,450)	(664,370)
Loss for the year	-	(47,358)	(47,358)
As at 31 March 2022	<u>55,080</u>	<u>(766,808)</u>	<u>(711,728)</u>
As at 1 April 2022	55,080	(766,808)	(711,728)
Profit for the year	-	730,960	730,960
As at 31 March 2023	<u>55,080</u>	<u>(35,848)</u>	<u>19,232</u>

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

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

**SONATA SOFTWARE (QATAR) LLC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2023**

	<b>For the year ended 31 March 2023 USD</b>	<b>For the year ended 31 March 2022 USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) for the year	730,960	(47,358)
Amounts due to a related party written-off	(757,040)	-
<b>NET CASHFLOW BEFORE CHANGES IN WORKING CAPITAL</b>	<u>(26,080)</u>	<u>(47,358)</u>
<b>Changes in working capital</b>		
Change in prepayments and security deposits	(26)	1,384
Change in amounts due from a related party	(4,225)	22,602
Change in amounts due to a related party	21,205	(27,194)
Change in accruals and other payables	3,279	(1,962)
<b>NET CASH UTILISED IN OPERATING ACTIVITIES</b>	<u>(5,847)</u>	<u>(52,528)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(5,847)</u>	<u>(52,528)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
At the beginning of the year	5,847	58,375
At the end of the year	<u>-</u>	<u>5,847</u>

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

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



## SONATA SOFTWARE (QATAR)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1. Legal status and principal activities

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

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

The shareholders and their percentage of shareholdings for the year ended 31 March 2023 are as follows:

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

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

#### 2. Going concern

These financial statements have been prepared on a going concern basis notwithstanding that the Company had accumulated losses of USD 35,848 as at 31 March 2023 (2022: USD 766,808). Nevertheless, the continuation of the Company's operations is dependent upon future profitable operations, continued financial support of the shareholders and the ability of the Company to generate sufficient cash flows to meet its future obligations. The Parent Company, Sonata Software Limited, has provided an undertaking that it will continue to provide or arrange such financial support as would be necessary for the Company to meet its obligations as they fall due in the foreseeable future. Should the Company be unable to operate, adjustments would have to be made to reduce the assets to their recoverable amounts and to provide for any further liabilities which might arise.

#### 3. Basis of preparation and significant accounting policies

##### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

##### Basis of measurement

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

##### Functional and presentation currency

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

##### Use of estimates and judgements

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

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

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

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

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

**Adoption of new standards and amendments**

New and amended standards effective as of 1 April 2022 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:

- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020
  - IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
  - IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities
  - IAS 41 Agriculture – Taxation in fair value measurements
  - IFRS 16 Leases – Lease incentives

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

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

The following new and amended standards and interpretations have been issued but were not mandatory for annual reporting period ended 31 March 2023:

	<b>Effective date</b>
• Amendments to IAS 1- Classification of Liabilities as Current or Non-current	on or after 1 January 2023
• Amendment to IFRS 17 - Insurance Contracts	on or after 1 January 2023
• Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	on or after 1 January 2023
• Amendment to IAS 8 – Definition of Accounting Estimates	on or after 1 January 2023
• Amendments to IAS 1 and IFRS practice statement- Disclosure of Accounting Policies	on or after 1 January 2023
• Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture	deferred application date
• Lease liability in a Sale and Leaseback (Amendments to IFRS 16)	on or after 1 January 2024

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

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

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

**Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment considered to be below value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

**Financial assets**

Classification

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

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

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

Measurement

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

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

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

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

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

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

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

**Financial assets (*continued*)**

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

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

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

Business model assessment

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

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

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

Impairment of financial assets and measurement of ECL

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

Related parties include the shareholders and key management personnel of the Company and any businesses which are controlled directly by the Company or over which they exercise significant management influence. The balances due from/to such parties, which have been disclosed separately in the financial statements, are unsecured, interest free and are repayable on demand.

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

**Financial assets (*continued*)**

Impairment of financial assets and measurement of ECL (*continued*)

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

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

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

**Prepayments**

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

**Cash and cash equivalents**

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

**Derecognition of financial assets**

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

**Financial liabilities**

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

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

**Derecognition of financial liabilities**

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

**Offsetting**

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

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset not only when the reimbursement is virtually certain.

**Share capital**

Ordinary shares are classified as equity.

**Revenue recognition**

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

**Revenue**

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

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

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

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

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

## SONATA SOFTWARE (QATAR)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2023

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

##### Revenue (*continued*)

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

##### Costs and expenses

Costs and expenses are recognised when incurred.

##### Related party transactions and relationships

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

##### Foreign currency translation

###### Transactions and balances

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

#### 4. Cash and cash equivalents

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

The management has determined that the Expected Credit Loss (ECL) for the bank balance is insignificant, given that the bank holding the balance has been evaluated with a low credit risk rating by international rating agencies. Consequently, on 14 November 2022, the management has resolved to close the corresponding bank account.

#### 5. Prepayments and security deposits

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Prepayments	1,472	1,446
Security deposit	3,876	3,876
	<u>5,348</u>	<u>5,322</u>

**SONATA SOFTWARE (QATAR)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2023****6. Related party transactions**

The Company, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties comprise companies and entities under common control ownership and/or common management and control, key management personnel and shareholder. These transactions have been carried out on the basis of the terms agreed between the Company and the management of the related parties.

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

	<b>For the year ended 31 March 2023 USD</b>	<b>For the year ended 31 March 2022 USD</b>
Revenue-India	-	62,448
Operational charges-Dubai	-	62,448
Amounts due to a related party written-off	<u>757,040</u>	<u>                    </u>

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

	<b>2023 USD</b>	<b>2022 USD</b>
<b>Amounts due to a related party</b>		
Sonata Software FZ LLC (Entity under common control)	<u>-</u>	<u>735,835</u>
<b>Amounts due from a related party</b>		
Sonata Software Limited (Shareholder)	<u>27,175</u>	<u>22,950</u>

**7. Accruals and other payables**

	<b>2023 USD</b>	<b>2022 USD</b>
Accruals	13,291	9,942
Other payables	-	70
	<u>13,291</u>	<u>10,012</u>

**8. Share capital**

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

	<b>2023</b>	<b>Amount USD</b>	<b>2022</b>	<b>Amount USD</b>
	<b>Number of shares</b>		<b>Number of shares</b>	
Authorised shares of QAR 1,000 each (converted to USD at the rate of 0.2754 each)	<u>200</u>	<u>55,080</u>	<u>200</u>	<u>55,080</u>
Issued and paid	<u>200</u>	<u>55,080</u>	<u>200</u>	<u>55,080</u>



**SONATA SOFTWARE (QATAR)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2023**

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**9. Revenue from contracts with customers**

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

	<b>For the year ended 31 March 2023 USD</b>	<b>For the year ended 31 March 2022 USD</b>
<b>Type of service</b>		
Revenue from software development and information technology consulting	-	62,448
	=====	=====
	<b>For the year ended 31 March 2023 USD</b>	<b>For the year ended 31 March 2022 USD</b>
<b>Timing of revenue recognition:</b>		
Services rendered - point in time	-	62,448
	=====	=====
	<b>For the year ended 31 March 2023 USD</b>	<b>For the year ended 31 March 2022 USD</b>
<b>Customer relationship:</b>		
Related party customers (Note 6)	-	62,448
	=====	=====
	<b>For the year ended 31 March 2023 USD</b>	<b>For the year ended 31 March 2022 USD</b>
<b>Geographical markets:</b>		
India	-	62,448
	=====	=====

**10. General and administrative expenses**

	<b>For the year ended 31 March 2023 USD</b>	<b>For the year ended 31 March 2022 USD</b>
Office rent	17,398	16,980
Audit fee	6,611	6,500
Other administrative expenses	2,071	23,878
	=====	=====
	26,080	47,358
	=====	=====

**SONATA SOFTWARE (QATAR)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2023**

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**11. Financial instruments**

	<b>2023</b>		<b>2022</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Financial assets</b>				
Cash and cash equivalents	-	-	5,847	5,847
Security Deposits	3,876	3,876	3,876	3,876
Amounts due from a related party	27,175	27,175	22,950	22,950
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Financial liabilities</b>				
Accruals and other payables	13,291	13,291	10,012	10,012
Amounts due to a related party	-	-	735,835	735,835
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The fair value of financial assets and liabilities approximate their book value at 31 March 2023. Accounting policies for financial assets and financial liabilities are set out in Note 3.

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

The Company manages these risks as follows:

*Credit risk*

The Company is potentially exposed to concentration of credit risk from its financial assets which comprises of bank balance, amounts due from a related party and other receivables.

*Bank balance*

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

*Amounts due from a related party and security deposits*

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

The ECLs for security deposits are considered immaterial.

*Liquidity risk*

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

## SONATA SOFTWARE (QATAR)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2023

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#### 12. 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.

#### 13. Contingent liabilities and commitments

##### Contingent liabilities

As at 31 March 2023, there are no known legal proceedings or other contingent liabilities against the Company (2022: Nil).

##### Commitments

The Company entered into short term lease agreement with Regus - Sonata Software (Qatar) LLC. As at 31 March 2023, the rent expense amounted to USD 17,398 (2022: USD16,980).

#### 14. Comparative figures

Prior year figures have been reclassified where necessary, to conform to current year's presentation.

#### 15. Subsequent events

There are no significant events occurring after the statement of financial position date, other than the information disclosed here, which requires disclosure in the financial statements.

Sonata Software Canada Limited  
Balance Sheet as at March 31, 2023

		(Amt in USD)	(Amt in USD)	(Amt in USD)
		As at	As at	As at
	Note No.	March 31, 2023	December 31, 2022	June 30, 2022
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	3	116,836	119,274	30,105
Other financial assets	4	17,656	17,656	17,656
<b>Total non-current assets</b>		<b>134,492</b>	<b>136,930</b>	<b>47,761</b>
Trade receivables	5	161,222	161,288	52,693
Other current assets	6	-	1,214	3,679
<b>Total current assets</b>		<b>161,222</b>	<b>162,502</b>	<b>56,372</b>
<b>Total assets</b>		<b>295,714</b>	<b>299,432</b>	<b>104,132</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Other equity	7	(16,304)	13,843	2,962
<b>Total Equity</b>		<b>(16,304)</b>	<b>13,843</b>	<b>2,962</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
Trade payables		(8,999)	37,296	36,347
Other current liabilities	8	321,017	248,293	64,822
<b>Total current liabilities</b>		<b>312,018</b>	<b>285,589</b>	<b>101,170</b>
<b>Total equity and liabilities</b>		<b>295,714</b>	<b>299,432</b>	<b>104,132</b>

Sonata Software Canada Limited

Statement of Profit and Loss for quarter and year ended March 31, 2023

	Note No.	For the quarter ended March 31, 2023	For the year ended March 31, 2023	For the quarter ended December 31, 2022	For the quarter ended September 30, 2022	For the quarter ended June 30, 2022	For nine months ended December 31, 2022	For half year ended September 30, 2022
<b>INCOME</b>								
Revenue from operations	9.1	-	157,233	59,632	45,339	52,262	157,233	97,601
Other Income	9.2	(64)	3,779	(1,017)	4,409	451	3,843	4,860
<b>Total revenue</b>		<b>(64)</b>	<b>161,012</b>	<b>58,615</b>	<b>49,748</b>	<b>52,713</b>	<b>161,076</b>	<b>102,461</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(64)</b>	<b>161,012</b>	<b>58,615</b>	<b>49,748</b>	<b>52,713</b>	<b>161,076</b>	<b>102,461</b>
Depreciation and amortization expense	3	2,438	7,147	2,493	2,216	-	4,709	2,216
Other expenses	10	27,645	170,169	40,346	52,427	49,751	142,524	102,178
<b>Total expenses</b>		<b>30,083</b>	<b>177,316</b>	<b>42,839</b>	<b>54,643</b>	<b>49,751</b>	<b>147,233</b>	<b>104,394</b>
<b>Profit before tax</b>		<b>(30,147)</b>	<b>(16,304)</b>	<b>15,776</b>	<b>(4,895)</b>	<b>2,962</b>	<b>13,843</b>	<b>(1,933)</b>
<b>Net tax expense</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit after tax</b>		<b>(30,147)</b>	<b>(16,304)</b>	<b>15,776</b>	<b>(4,895)</b>	<b>2,962</b>	<b>13,843</b>	<b>(1,933)</b>

3 : Property, plant and equipment

(Amt in USD)

Particulars	Tangible Assets				Total
	Office Equipments	Leasehold Improvements	Furniture and Fixtures	Plant and Machinery	

<b>As at April 1, 2022</b>		<b>22,526</b>		<b>7,578</b>	<b>30,104</b>
Additions				93,880	<b>93,880</b>
Disposals/Write off	-	-	-	-	-
<b>As at Dec 31, 2022</b>	-	<b>22,527</b>	-	<b>101,458</b>	<b>123,983</b>

Depreciation/ Amortization					
<b>As at June 30, 2022</b>					-
Charge for the Year					-
<b>As at June 30, 2022</b>	-	-	-	-	-
<b>As at April 1, 2022</b>	-	-	-	-	-
Charge for the period		1,135		1,081	<b>2,217</b>
Disposals/Write off	-	-	-	-	-
<b>As at Sept 30, 2022</b>	-	<b>1,135</b>	-	<b>1,081</b>	<b>2,217</b>

<b>As at April 1, 2022</b>	-	-	-	-	-
Charge for the period		3,381		3,766	<b>7,147</b>
Disposals/Write off	-	-	-	-	-
<b>As at March 31, 2023</b>	-	<b>3,381</b>	-	<b>3,766</b>	<b>7,147</b>

Net Block					
<b>As at June 30, 2022</b>	-	<b>22,527</b>	-	<b>101,458</b>	<b>123,984</b>
<b>As at March 31, 2023</b>	-	<b>19,146</b>	-	<b>97,692</b>	<b>116,836</b>

Sonata Software Canada Limited  
Notes forming part of financial statements

	(Amt in USD)	(Amt in USD)	(Amt in USD)
	As at	As at	As at
	March 31, 2023	December 31, 2022	June 30, 2022
<b>4 : Other financial assets</b>			
Security deposits	17,656	17,656	17,656
<b>Total</b>	<b>17,656</b>	<b>17,656</b>	<b>17,656</b>
<b>5 : Trade receivables</b>			
Considered good	161,222	161,288	52,693
Considered doubtful	-	-	-
	161,222	161,288	52,693
Less : Provision for doubtful trade receivables	-	-	-
	161,222	161,288	52,693
<b>Total</b>	<b>161,222</b>	<b>161,288</b>	<b>52,693</b>
<b>6 : Other current assets</b>			
Prepaid expenses	-	1,214	3,679
<b>Total</b>	<b>-</b>	<b>1,214</b>	<b>3,679</b>
<b>7 : Other equity</b>			
<b>Securities premium</b>			
<b>Retained earnings</b>			
Opening balance	-	-	-
Profit for the year	(16,304)	13,843	2,962
Rent equalization	-	-	-
Dividend Paid	-	-	-
<b>Closing balance</b>	<b>(16,304)</b>	<b>13,843</b>	<b>2,962</b>
<b>Total</b>	<b>(16,304)</b>	<b>13,843</b>	<b>2,962</b>
<b>8 : Other current liabilities</b>			
Income received in advance (Unearned revenue)	-	-	-
Provision for rent equalization	-	-	-
Gratuity	-	-	-
Reimbursable Expenses payable to related party	347,290	273,195	70,688
Statutory remittances	(26,273)	(24,902)	(5,866)
<b>Total</b>	<b>321,017</b>	<b>248,293</b>	<b>64,822</b>

**Sonata Software Canada Limited**  
**Notes forming part of financial statements**

	For the quarter ended March 31, 2023	For the year ended March 31, 2023	For the quarter ended December 31, 2022
<b>9.1 : Revenue from operations</b>			
Revenue from software services	-	157,233	59,632
Other operating revenues	-	-	-
<b>Total</b>	<b>-</b>	<b>157,233</b>	<b>59,632</b>
<b>9.2 : Other Income</b>			
Interest income	-	-	-
Net gain on foreign currency transaction and translation	(64)	3,779	(1,017)
	<b>(64)</b>	<b>3,779</b>	<b>(1,017)</b>
<b>10 : Other expenses</b>			
Rent	14,012	42,037	14,013
Repairs and maintenance - Machinery	-	1,928	-
Insurance	420	1,892	477
Rates and taxes	1,645	5,603	1,696
Facility maintenance	10,774	45,865	23,350
Professional and technical fees	794	70,095	810
Miscellaneous expenses	-	2,749	-
<b>Total</b>	<b>27,645</b>	<b>170,169</b>	<b>40,346</b>



## SONATA SOFTWARE INTERCONTINENTAL LIMITED

## Balance Sheet as at March 31, 2023

		Amount in euro	Amount in euro
	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other non-current assets	1	19,014	7,671
<b>Total non-current assets</b>		<b>19,014</b>	<b>7,671</b>
<b>Current assets</b>			
Trade receivables	2	276,063	536,418
Cash and cash equivalents	3	241,506	-
Other current assets	4	792,516	1,200
<b>Total current assets</b>		<b>1,310,085</b>	<b>537,618</b>
<b>Total assets</b>		<b>1,329,099</b>	<b>545,289</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital		-	-
Other equity	5	564,748	183,518
<b>Total Equity</b>		<b>564,748</b>	<b>183,518</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	6	551,963	248,685
Other current liabilities	7	176,837	86,870
Current tax liabilities (net)	8	35,552	26,216
<b>Total current liabilities</b>		<b>764,351</b>	<b>361,771</b>
<b>Total equity and liabilities</b>		<b>1,329,099</b>	<b>545,289</b>

## SONATA SOFTWARE INTERCONTINENTAL LIMITED

## Statement of Profit and Loss for the period April 1, 2022 to March, 2023

		Quarterly P/L March 23	Quarterly P/L December 22	For the Period 1st April 22 to 31 March 23	Amount in euro For the Period 1st April 22 to 31 Dec 22	Amount in euro For the Period 8th September to 31 March 22
	Note No.					
<b>REVENUE</b>						
Revenue from operations	9	737,791	452,206	1,539,126	801,335	436,112
<b>Total income</b>		<b>737,791</b>	<b>452,206</b>	<b>1,539,126</b>	<b>801,335</b>	<b>436,112</b>
<b>EXPENSES</b>						
Software cost	10	(301,733)	161,987	76,633	378,366	173,080
Employee benefit expenses	11	74,503	57,449	238,879	164,375	-
Other expenses	12	699,370	56,510	806,833	107,463	53,298
<b>Total expenses</b>		<b>472,140</b>	<b>275,946</b>	<b>1,122,344</b>	<b>650,204</b>	<b>226,378</b>
<b>Profit before tax</b>		<b>265,650</b>	<b>176,260</b>	<b>416,782</b>	<b>151,131</b>	<b>209,734</b>
<b>Tax expense</b>						
Current tax expense		22,030	-	35,552	13,522	26,216
<b>Net tax expense</b>		<b>22,030</b>	<b>-</b>	<b>35,552</b>	<b>13,522</b>	<b>26,216</b>
<b>Profit for the period</b>		<b>243,620</b>	<b>176,260</b>	<b>381,230</b>	<b>137,609</b>	<b>183,518</b>

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

	Amount in euro	Amount in euro
	As at	As at
	March 31, 2023	March 31, 2022
<b>1. Other non-current assets</b>		
Unsecured, considered good		
Other deposits	2,400	2,400
Vat Input recoverable	16,614	5,271
<b>Total</b>	<b>19,014</b>	<b>7,671</b>
<b>2. Trade receivables</b>		
Unsecured		
Considered good	276,063	536,418
Considered doubtful	-	-
	276,063	536,418
Less : Allowances for credit losses	-	-
<b>Total</b>	<b>276,063</b>	<b>536,418</b>
* include dues from related party		
<b>3. Cash and cash equivalents</b>		
Balances with banks		
In current accounts	241,506	-
<b>Total</b>	<b>241,506</b>	-
<b>4. Other current assets</b>		
Income accrued but not due - sales	792,088	-
Prepaid expenses	428	1,200
<b>Total</b>	<b>792,516</b>	<b>1,200</b>
<b>5. Other equity</b>		
Opening balance	183,518	-
Profit for the period	381,230	183,518
<b>Closing balance</b>	<b>564,748</b>	<b>183,518</b>
<b>6. Trade payables</b>		
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	551,963	248,685
<b>Total</b>	<b>551,963</b>	<b>248,685</b>
<b>7. Other current liabilities</b>		
Income received in advance (Unearned revenue)	-	-
Provision for Expenses	104,049	47,058
Other payables		
Statutory remittances	44,409	39,812
Short-term compensated leave provision	17,500	-
Others	10,879	-
<b>Total</b>	<b>176,837</b>	<b>86,870</b>
<b>8. Current tax liabilities (net)</b>		
Provision for tax	35,552	26,216
<b>Total</b>	<b>35,552</b>	<b>26,216</b>

SONATA SOFTWARE INTERCONTINENTAL LIMITED  
Notes forming part of financial statements

			Amount in euro		Amount in euro
	Quarterly P/L for period ending Dec 22	Quarterly P/L for period ending Dec 22	For the Period 1st April 22 to 31 March 23	For the Period 1st April 22 to 31 Dec 22	For the Period 8th September to 31 March 22
<b>9. Revenue from operations</b>					
Revenue from software services	737,791	402,354	1,442,211	704,420	327,310
Revenue from Licenses	-	49,852	96,915	96,915	108,802
<b>Total</b>	<b>737,791</b>	<b>452,206</b>	<b>1,539,126</b>	<b>801,335</b>	<b>436,112</b>
<b>10. Software cost</b>					
Software cost	1	42,700	76,633	76,632	88,498
<b>Total</b>	<b>1</b>	<b>42,700</b>	<b>76,633</b>	<b>76,632</b>	<b>88,498</b>
<b>11. Employee Benefit Expense</b>					
Staff Salaries	64,747	52,538	215,462	150,714	-
Staff Welfare	-	-	4,594	-	-
Leave Encashment	5,162	4,911	18,823	13,661	-
<b>Total</b>	<b>69,909</b>	<b>57,449</b>	<b>238,879</b>	<b>164,375</b>	<b>-</b>
<b>12. Other expenses</b>					
Commission on Sales	80,402	22,385	134,307	53,905	34,693
Rent	3,600	3,600	14,400	10,800	6,000
Repairs and maintenance - machinery	140	-	140	-	-
Insurance	86	-	86	-	-
Rates and taxes	7,455	6,209	24,513	17,058	-
Communication cost	518	-	518	-	-
Facility maintenance	322	240	1,059	738	240
Travelling and conveyance expenses	(1,685)	271	(2,374)	(688)	11,115
Professional and technical fees	210	210	2,260	2,050	1,250
Software Project fees	261,949	119,287	563,683	301,734	84,582
Legal fees	-	-	-	-	-
Insourcing professional fees	45,175	23,630	68,805	23,630	-
Net gain on foreign currency transactions and translations	(545)	(39)	(583)	(38)	-
Miscellaneous expenses	18	8	18	8	-
<b>Total</b>	<b>397,644</b>	<b>175,802</b>	<b>806,833</b>	<b>409,197</b>	<b>137,880</b>

**SONATA LATIN AMERICA S. de R.L. de C.V.**  
**Balance Sheet as at March 31, 2023**

		<b>Amount in peso</b>
	<b>Note No.</b>	<b>As at March 31, 2023</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Other non-current assets		-
<b>Total non-current assets</b>		<u>-</u>
<b>Current assets</b>		
Trade receivables	<b>1</b>	1,331,641
Cash and cash equivalents		-
Other current assets		-
<b>Total current assets</b>		<u><b>1,331,641</b></u>
<b>Total assets</b>		<u><u><b>1,331,641</b></u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital		-
Other equity	<b>2</b>	86,492
<b>Total Equity</b>		<u><b>86,492</b></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Financial liabilities		
Trade payables	<b>3</b>	1,442,337
Other current liabilities	<b>4</b>	-197,188
Current tax liabilities (net)		-
<b>Total current liabilities</b>		<u><b>1,245,149</b></u>
<b>Total equity and liabilities</b>		<u><u><b>1,331,641</b></u></u>

SONATA LATIN AMERICA S. de R.L. de C.V.

Statement of Profit and Loss for the period May 5, 2022 to March, 2023

		Amount in peso
	Note No.	For the Period 5th May 22 to 31 March 23
<b>REVENUE</b>		
Revenue from operations	5	1,340,301
<b>Total income</b>		<b>1,340,301</b>
<b>EXPENSES</b>		
Other expenses	6	1,253,809
<b>Total expenses</b>		<b>1,253,809</b>
<b>Profit before tax</b>		<b>86,492</b>
<b>Tax expense</b>		
Current tax expense		-
<b>Net tax expense</b>		-
<b>Profit for the period</b>		<b>86,492</b>

SONATA LATIN AMERICA S. de R.L. de C.V.  
Notes forming part of financial statements

Amount in peso

As at

March 31, 2023

**1. Trade receivables**

Unsecured

    Considered good

1,331,641

    Considered doubtful

-

1,331,641

Less : Allowances for credit losses

-

**Total**

**1,331,641**

\* include dues from related party

**2. Other equity**

Opening balance

-

Profit for the period

86,492

**Closing balance**

**86,492**

**3. Trade payables**

Total outstanding dues of creditors other than micro and small enterprises - other than acceptances

1,442,337

**Total**

**1,442,337**

**4. Other current liabilities**

Other payables

    Statutory remittances

(197,188)

**Total**

**(197,188)**

**SONATA LATIN AMERICA S. de R.L. de C.V.**  
**Notes forming part of financial statements**

	<b>Amount in peso</b>
	<b>For the Period</b>
	<b>5th May 22 to</b>
	<b>31 March 23</b>
<hr/>	
<b>5. Revenue from operations</b>	
Revenue from software services	1,340,301
<b>Total</b>	<u><b>1,340,301</b></u>
<b>6. Other expenses</b>	
Travelling and conveyance expenses	25,650
Professional and technical fees	16,798
Insourcing professional fees	1,203,291
Net gain on foreign currency transactions and translations	8,070
<b>Total</b>	<u><b>1,253,809</b></u>