BALANCE SHEET as at March 31, 2019

USD

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	279,440	303,641
Capital work-in-progress		74,983	-
		354,423	**303,641**
Financial assets			
Investments	4.1	21,320,452	13,477,555
Other financial assets	4.2	23,519	23,519
Deferred tax assets (net)	5	489,868	380,125
Total non-current assets		**21,833,839**	**13,881,199**
CURRENT ASSETS			
Financial assets			
Investments	6.1	4,029	4,029
Trade receivables	6.2	9,343,581	6,311,762
Cash and cash equivalents	6.3	1,582,421	3,204,803
Loans	6.4	5,494,208	4,106,634
Other financial assets	6.5	3,804,237	3,923,122
Other current assets	7	391,450	935,218
Total current assets		**20,619,926**	**18,485,568**
Total assets		**42,808,188**	**32,670,407**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	8	300,000	300,000
Other equity	9	5,482,673	4,048,012
Total Equity		**5,782,673**	**4,348,012**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	10	-	2,150,000
Other non-current liabilities	11	3,226,057	900,000
Total non-current liabilities		**3,226,057**	**3,050,000**
CURRENT LIABILITIES			
Financial liabilities			
Trade payables		28,895,485	20,337,873
Other Financial liabilities	12	2,150,006	2,866,670
Other current liabilities	13	1,564,606	385,907
Provisions	14	542,867	513,812
Current tax liabilities	15	646,494	1,168,135
Total current liabilities		**33,799,458**	**25,272,397**
Total equity and liabilities		**42,808,188**	**32,670,407**

See accompanying notes to the statements

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

USD

	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from operations	16.1	74,291,197	68,468,370
Other income	16.2	1,783,874	744,019
Total revenue		**76,075,071**	**69,212,389**
EXPENSES			
Employee benefit expenses	17	14,630,323	14,862,133
Finance costs	18	234,999	272,962
Depreciation and amortization expense	3	127,994	127,713
Other expenses	19	58,984,136	52,583,214
		73,977,452	**67,846,022**
Profit before tax		**2,097,618**	**1,366,367**
Current tax expense		772,700	554,706
Deferred tax		(109,743)	-
Net tax expense		662,957	554,706
Profit for the year		**1,434,661**	**811,661**
Earnings per share - Basic and Diluted (on $ 1 per share)	27	4.78	2.71

See accompanying notes forming part of the financials statements

CASH FLOW STATEMENT for the year ended March 31, 2019

USD

		Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		**2,097,618**	**1,366,367**
Adjustments for :			
Depreciation and amortization expense		127,994	127,713
Interest expense		234,999	272,962
Allowance for bad & doubtful trade receivables		-	-
Provision no longer required (net)		(1,577,630)	(610,801)
Interest income		(199,033)	(133,218)
Unrealized foreign exchange (gain) / loss		6,722	7,271
Operating Profit before working capital changes		**690,670**	**1,030,294**
Adjustments for :			
Decrease/(increase) in trade receivables		(3,050,209)	518,328
Decrease/(increase) in other current assets		543,768	(661,218)
Decrease/(increase) in other financial assets		118,888	(2,536,312)
Decrease/(increase) in long-term loans and advances		-	(109)
Decrease/(increase) in other non current assets		-	155,039
Decrease/(increase) in short-term loans and advances		(1,387,574)	164,908
(Decrease)/increase in trade payables		8,569,280	4,187,602
(Decrease)/increase in other current liabilities		1,178,699	286,605
(Decrease)/increase in other financial liabilities		(716,664)	-
(Decrease)/increase in long-term provisions		2,326,057	(400,000)
(Decrease)/increase in short-term provisions		1,085,044	1,473,524
Cash generated from operations		**9,357,959**	**4,218,661**
Direct taxes/advance tax paid (net)		(772,700)	(922,164)
Net cash from operating activities	**(A)**	**8,585,259**	**3,296,497**
Net cash from operating activities after exceptional items		8,585,259	3,296,497
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets, CWIP and		(103,795)	-
capital advances		(74,983)	(83,792)
Purchase of non-current investments			
Investments in subsidiary		(7,842,897)	-
Interest received		199,033	133,218
Net cash flow from investing activities	**(B)**	**(7,822,642)**	**49,426**

CASH FLOW STATEMENT for the year ended March 31, 2019

USD

		Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings (net)		(2,150,000)	(2,866,667)
Interest paid		(234,999)	(272,962)
Net cash from financing activities	(C)	(2,384,999)	(3,139,629)
Net increase/(decrease) in cash and cash equivalents	(A+B)	(1,622,382)	206,294
Opening cash and cash equivalents		3,204,803	2,998,507
Closing cash and cash equivalents		**1,582,421**	**3,204,803**
Cash and cash equivalents at the end of the year Comprises :			
Balances with banks			
In Current accounts		**1,582,421**	**3,204,803**

See accompanying notes to the financial statements

Notes forming part of financial statements

1 COMPANY OVERVIEW

Sonata Software North America Inc. ("SSNA" or the "Company") is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customers in the United States of America. The is company incorporated in US with its registered office at Fremont, USA. Sonata Software Limited has 100% ownership of SSNA incorporated on 20th April 1992.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Share based payment transactions and

c. Use of judgement, estimates and assumptions

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

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

i **Income taxes** The Company's major tax jurisdictions is USA. 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) **Liability towards acquisition of businesses** The Contingent consideration representing liability towards acquisition of business is reassessed at every reporting date. Any increase or decrease in the probability of achievement of financial targets would impact the measurement of the liability. Appropriate changes in estimates are made when the Management becomes aware of the circumstances surrounding such estimates.

iii) **Impairment testing:** Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iv) **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.

v) **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. "

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional and presentation currency

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

b. Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

c. Property, plant and equipment

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

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

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

d. 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."

e. Depreciation/ Amortisation

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation has been provided on buildings and plant and equipments on the straight line method and on furniture and fixtures, vehicles and office equipments on the written down method, as per the useful life prescribed in Schedule II of the Companies Act, 2013."

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

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

f. Financial Instruments

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

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

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

Non-derivative financial assets

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

Offsetting financial instruments

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

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

g. Employee Benefits

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

Short-term employee benefits -need to be updated

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

h. Provisions

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

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

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

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

i. Income Taxes

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

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

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

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

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

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

j. Leases

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

k. 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.

l. 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) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised when customer obtains control of the specified asset. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) Maintenance Contracts

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

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

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

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

n. 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."

o. 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."

p. Share based payments

Employees of the Company receive remuneration in the form of cash settled share based transaction, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The equity instruments are granted by the Employee Welfare Trust.

The expense is recognized in the Statement of Profit and Loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization).

The fair value of the amount payable to the employees in respect of Stock Appreciation Rights (SAR), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR plan. Any changes in the liability are recognized in Statement of Profit and Loss."

q. Impairment

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

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

ECL allowance (or reversal) is recognised as income / expense in the 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 acumulated depreciation) had no impairement 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")."

r. Earnings per share

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

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

s. Contingent Liabilities

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

t. Contingent Assets

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

u. 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."

v. New standards and interpretations not yet adopted

Ind AS 116 - 'Leases': The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases on March 30, 2019. This replaces Ind AS 17, related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. "

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements.

Notes forming part of financial statements

3. Property, Plant and Equipment

USD

Particulars	Tangible Assets			
	Office Equipments	Furniture and Fixtures	Plant and Equipments	Total Tangible Assets
Deemed cost				
As at April 1, 2017	**43,651**	**108,343**	**317,389**	**469,383**
Additions	1,119	-	82,673	83,792
Disposals/Write off	-	-	-	-
As at March 31, 2018	**44,770**	**108,343**	**400,062**	**553,175**
As at April 1, 2018	**44,770**	**108,343**	**400,062**	**553,175**
Additions	5,665	-	98,130	103,795
Disposals/Write off	-	-	-	-
As at March 31, 2019	**50,435**	**108,343**	**498,192**	**656,970**
Depreciation/ Amortization				
As at April 1, 2017	**13,563**	**21,996**	**86,264**	**121,823**
Charge for the Year	13,932	21,825	91,956	127,713
As at March 31, 2018	**27,495**	**43,821**	**178,220**	**249,536**
As at April 1, 2018	**27,495**	**43,821**	**178,220**	**249,536**
Charge for the Year	13,397	20,502	94,095	127,994
As at March 31, 2019	**40,892**	**64,323**	**272,315**	**377,530**
Net Block				
As at March 31, 2018	**17,275**	**64,522**	**221,842**	**303,641**
As at March 31, 2019	**9,543**	**44,020**	**225,877**	**279,440**

4.1. Investments

Trade, Long-term, unquoted and at cost

In subsidiary companies

Investment in equity instruments

	As at March 31, 2019	As at March 31, 2018
860,000 Equity shares of $ 0.0001/- each in Rezopia Inc.	1,824,663	1,524,663
(As at 31.03.2018 - 512,296 Equity shares of $ 0.0001/- each (fully paid))		
15,754,000 Equity shares of $ 0.004/- each in Halosys Inc.	2,883,946	2,883,946
(As at 31.03.2018 - 15,754,000 Equity shares of $ 0.004/- each (fully paid))		
500,250 Equity shares of $ 1/- each in Interactive Business Information Syatems Inc.	9,068,946	9,068,946
(As at 31.03.2018 - 500,250 Equity shares of $ 1/- each (fully paid))		
Investments-Long term Retail 10X Inc.	800,000	-
Instrument containing a future right to shares of Capital Stock		
Investment - Sopris Systems	6,742,897	-
	21,320,452	**13,477,555**

4.2. Other financial assets

USD

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposits	23,519	23,519
Total	**23,519**	**23,519**

5 : Deferred tax assets (net)

USD

	As at March 31, 2019	As at March 31, 2018
Tax effects on		
Others	489,868	380,125
Total	**489,868**	**380,125**

6.1 : Investments

USD

	As at March 31, 2019	As at March 31, 2018
Non-trade		
Investments in Stock (quoted)		
138 Common stock received from Principal Financial	4,029	4,029
Group Inc @ $29.20 each		
(March 31, 2018 - 138 Common stock received from Principal Financial Group Inc @ $29.20 each		
Total	**4,029**	**4,029**
Aggregate cost of unquoted investment	4,029	4,029

6.2 : Trade receivables

USD

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered good	9,343,581	6,311,762
Considered doubtful	332,158	417,671
	9,675,739	6,729,433
Less : Allowances for credit losses	332,158	417,671
	9,343,581	**6,311,762**
Other trade receivables :	-	-
Considered good	-	-
Considered doubtful	-	-
	-	-
Less : Provision for doubtful trade receivables	-	-
Total	**9,343,581**	**6,311,762**

6.3 : Cash and cash equivalents

USD

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In Current accounts	1,482,023	3,104,593
In Deposit accounts	100,398	100,210
Total	**1,582,421**	**3,204,803**

6.4 : Loans

USD

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans and advances to related parties - Advances recoverable	1,107,096	916,835
Inter-corporate deposits	4,387,112	3,189,799
Total	**5,494,208**	**4,106,634**

6.5 : Other financial assets

USD

	As at March 31, 2019	As at March 31, 2018
Loans and advances to employees	55,367	13,200
Unbilled revenue	3,406,916	3,647,148
Interest accrued on Inter-corporate deposits	341,954	262,774
	3,804,237	**3,923,122**

7 : Other current assets

USD

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	78,250	119,651
Other recoverables	313,200	815,567
Total	**391,450**	**935,218**

8. Equity share capital

USD

	As at March 31, 2019	As at March 31, 2018
Authorized		
Common Stock $1 par value, 3,500,000 shares	**3,500,000**	**3,500,000**
(March 31, 2018 Common Stock $1 par value, 3,500,000 shares)		
Issued, Subscribed and paid-up		
$1 par value 300,000 shares each fully paid-up	**300,000**	**300,000**
(March 31,2018 $1 par value 300,000 shares each fully paid-up)		
Total	**300,000**	**300,000**

9. Other equity

USD

	As at March 31, 2019	As at March 31, 2018
Surplus in Statement of Profit and Loss		
Opening balance	4,048,012	3,236,351
Profit for the year	1,434,661	811,661
Total	**5,482,673**	**4,048,012**

10. Borrowings

USD

	As at March 31, 2019	As at March 31, 2018
Term loan		
From banks	-	2,150,000
Total	**-**	**2,150,000**

11 : Other non-current liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Payable for acquisition or business contingent consideration	3,226,057	900,000
Total	**3,226,057**	**900,000**

12 : Short-term borrowings

USD

	As at March 31, 2019	As at March 31, 2018
Term loan		
From banks - Secured	-	-
Total	-	-
Trade payables		
Trade payables - other than acceptances	28,895,485	20,337,873
Total	**28,895,485**	**20,337,873**

12 : Other Financial liabilities

(USD)

	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debt	2,150,006	2,866,670
	2,150,006	**2,866,670**

13 : Other current liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Income received in advance (Unearned revenue)	756,130	-
Statutory remittances	84,920	89,572
Payable on purchase of fixed assets	-	-
Advances from customers	434,062	281,807
Reimbursable Expenses payable to related party	279,600	-
Others	9,894	14,528
Total	**1,564,606**	**385,907**

14 : Provisions

USD

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for compensated absences	542,867	513,812
Total	**542,867**	**513,812**

15 : Current tax liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Provision for tax	646,494	1,168,135
Total	**646,494**	**1,168,135**

16.1. Revenue from operations

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from software services	74,127,832	68,330,247
Other operating revenues	163,365	138,123
Total	**74,291,197**	**68,468,370**

16.2. Other income

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	199,033	133,218
Provision no longer required written back	1,577,630	610,801
Miscellaneous income	7,211	-
Total	**1,783,874**	**744,019**

17. Employee benefit expense

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages, bonus and allowances	13,250,361	13,524,380
Contribution to 401K fund	**194,734**	**174,343**
Staff welfare expenses	1,185,228	1,163,410
Total	**14,630,323**	**14,862,133**

18. Finance costs

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
Borrowings	195,641	229,962
Others	-	-
Other borrowing costs	39,358	43,000
Total	**234,999**	**272,962**

19. Other expenses

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	7,237	7,503
Rent	317,700	322,377
Repairs and maintenance - Machinery	1,483	3,620
Insurance	21,308	19,416
Rates and taxes	652,112	475,685
Communication cost	263,792	258,264
Facility maintenance	20,866	8,935
Travelling and conveyance expenses	648,424	634,302
Sales commission	391,465	410,078
Software Project fees	47,211,024	43,029,946
Professional and technical fees	1,463,648	627,996
Legal fees	108,884	14,783
Insourcing professional fees	6,858,198	5,894,189
Net loss on foreign currency transaction and translation	6,722	8,010
Bad debts	14,405	-
Payment to auditors	22,269	29,156
Miscellaneous expenses	974,599	838,954
Total	**58,984,136**	**52,583,214**

20 Contingent Liabilities

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

21. Commitments

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

USD

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

22 : Details on derivative instruments and unhedged foreign currency

i) There are no outstanding forward exchange contracts entered into by the Company and outstanding as at March 31, 2019 (March 31, 2018 : Nil)

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

	As at March 31,2019		As at March 31,2018		Currency
	Receivable / (Payable) (USD)	Receivable/ (Payable) in Foreign currency	Receivable / (Payable) (USD)	Receivable/ (Payable) in Foreign currency	
Trade receivables	64,936	57,798	14,849	13,894	EUR
Trade receivables	72,556	96,884	-	-	CAD
Trade payables	(343,214)	(305,486)	-	-	CAD
Trade payables	(35,995)	(48,064)	(27,098)	(25,353)	EUR

23 : Segment reporting

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

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

24 : Details of leasing arrangements

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

USD

	As at March 31, 2019	As at March 31, 2018
ii. The total of future minimum lease payments are non-cancellable operating leases are as below :		
Not later than one year		
Later than one year and not later than 5 years	**91,034**	**97,286**
Later than 5 years		
iii. The lease payments recognised in the statement of Profit and Loss are as under :	**317,700**	**322,377**
Included in rent	**317,700**	**322,377**

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

25 : Share-based payments

Other Stock Based Compensation Arrangements

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

The Company has also granted stock appreciation rights plan to certain employees during the financial year 2017-18 which is subject to certain vesting conditions. Details of the grant/issue as at March 31, 2019 are given below:

USD

Particulars	As per Plan	As per Plan	As per Plan	As per Plan
Total no. of units/ shares	17,000	17,000	42,000	105,000
Vested units/ shares	-	-	-	-
Lapsed units/ shares	-	-	-	-
Forfeited units/ shares	-	-	-	-
Cancelled units/ shares	-	-	-	-
Outstanding units/ shares as at the end of the year	17,000	17,000	42,000	105,000
Contractual life	1	1	3	3
Date of grant	September 30, 2018	September 30, 2018	December 18, 2018	November 13, 2017
Price per share/ unit Grant price (₹)	200	200	315.3	191.95

The weighted average fair value of each unit under the above mentioned stock appreciation rights plan granted during the year ended was ₹149.42,using the Monte Carlo simulation model with the following assumptions

USD

Particulars	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019
Total no. of units/ shares	17,000	17,000	42,000
Vested units/ shares	-	-	-
Lapsed units/ shares	-	-	-
Forfeited units/ shares	-	-	-
Cancelled units/ shares	-	-	-
Outstanding units/ shares as at the end of the year	17,000	17,000	42,000
Contractual life	1	1	3
Date of grant	September 30, 2018	September 30, 2018	December 18, 2018
Price per share/ unit Grant price (₹)	200	200	315.3

26 : Related party disclosure

i) Details of related parties :

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

ii) Transactions with related parties :

Particulars	Holding Company		Subsidiaries/WOS/Fellow Subsidiaries	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue				
Sopris Systems, LLC			41,640	-
Deputation cost / Service charges / Software project fees				
Sonata Software Limited	46,471,454	42,215,113		
Interactive Business Information Systems Inc.			471,755	258,304
Rezopia Inc., USA			269,319	541,931
Sonata Information Tech. Ltd - Singapore			7,821	14,598
Inter Corporate Deposits given				
Halosys Technologies Inc.			-	20,000
Sonata Software FZ LLC (Fellow Subsidiaries)			590,000	1,400,000

Particulars	Holding Company		Subsidiaries/WOS/Fellow Subsidiaries	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Sopris Systems LLC.			1,480,000	-
Interporate borrowings repaid				
Interactive Business Information Systems Inc.			187,687	1,782,313
Halosys Technologies Inc.			100,000	-
Sopris Systems LLC.			585,000	-
Interest on inter corporate deposits received				
Interactive Business Information Systems Inc.			1,080	55,403
Halosys Technologies Inc.			74,242	44,940
Rezopia Inc., USA			18,045	10,532
Sonata Software FZ LLC (Fellow Subsidiaries)			99,921	22,142
Sopris Systems LLC.			5,556	-
Deputation cost / Service charges Recovered				
Rezopia Inc., USA			192,000	192,000
Commission paid on guarantees received				
Sonata Software Limited	39,358	43,000		
Balances outstanding at the end of the year				
Trade payables				
Halosys Technologies Inc.			-	100,000
Interactive Business Information Systems Inc.			41,556	157,630
Rezopia Inc., USA			412,288	631,560
Sonata Information Tech. Ltd - Singapore				14,598
Sonata Software Limited	25,139,613	15,973,730		
Advances receivables				
Sonata Software Limited	63,767	10,364		
Halosys Technologies Inc.			129,610	128,114
Rezopia Inc., USA			913,720	671,720
Interest accrued on Intercorporate deposits				
Interest accrued on Intercorporate deposits			-	117,002
Halosys Technologies Inc.			179,172	104,930
Rezopia Inc., USA			35,163	17,118
Sonata Software FZ LLC (Sister concern)			122,063	22,142
Sopris Systems LLC.			5,556	-
Trade Receivables				
Sopris Systems LLC.			85,920	-
Inter corporate deposit given				
Interactive Business Information Systems Inc.			-	187,687
Halosys Technologies Inc.			1,202,112	1,302,112
Rezopia Inc., USA			300,000	300,000
Sonata Software FZ LLC (Sister concern)			1,990,000	1,400,000
Sopris Systems LLC.			895,000	-
Advances payables				
Sonata Software Limited	6,961	23,054		
Rezopia Inc., USA			272,639	84,048
Halosys Technologies Inc.			-	100,000

Particulars	Holding Company		Subsidiaries/WOS/Fellow Subsidiaries	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Investments made during the year				
Sopris Systems LLC.			6,742,897	-
Rezopia Inc., USA			300,000	-
Guarantees received				
Sonata Software Limited	3,583,338	9,000,000		

27 : Earnings Per Share

	March 31, 2019	March 31, 2018
Profit attributable to equity shareholders ($)	**1,434,661**	**811,661**
Weighted average number of Equity Shares of $1/- each	**300,000**	**300,000**
Earnings Per Share - Basic and Diluted ($)	**4.78**	**2.71**

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

COMPANY INFORMATION

Directors	Mr S Ramarao Mr T Saha
Registered number	05945409
Registered office	11th Floor (West) The Mille 1000 Great West Road Brentford TW8 9HH
Independent auditors	Lubbock Fine 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
SONATA SOFTWARE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

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

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

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

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

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

Directors

The directors who served during the year were: Mr S Ramarao

Mr T Saha Disclosure of information to auditors

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

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

Auditors

Under section 487(2) of the Companies Act 2006, Lubbock Fine 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 on and signed on its behalf.

Mr S Ramarao
Director

Opinion

We have audited the financial statements of Sonata Europe Limited (the 'Company') for the year ended 31 March 2019, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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

David Chandra (Senior Statutory Auditor) for and on behalf of

Lubbock Fine
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Date:

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Turnover	12,620,274	5,803,847
Cost of sales	-8,235,515	-4,696,230
Gross profit	**4,384,759**	**1,107,617**
Administrative expenses	-1,235,516	-776,809
Operating profit	3,149,243	330,808
Tax on profit	-628,319	62,393
Profit for the financial year	2,520,924	393,201

There was no other comprehensive income for 2019 (2018:£NIL).
The notes on pages 11 to 18 form part of these financial statements.

BALANCE SHEET as at March 31, 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	4		49,562		71,677
Investments	5		70,109		72,121
			119,671		**143,798**
Current assets					
Debtors: amounts falling due after more than one year	6	39,780		39,780	
Debtors: amounts falling due within one year	6	9,480,228		6,215,348	
Cash at bank and in hand	7	3,671,335		1,356,991	
		13,191,343		**7,612,119**	
Creditors: amounts falling due within one year	8	-4,602,291		-1,568,118	
Net current assets			8,589,052		6,044,001
Total assets less current liabilities			**8,708,723**		**6,187,799**
Capital and reserves					
Called up share capital	9		2,460,360		2,460,360
Other reserves			3,235,440		3,235,440
Profit and loss account			3,012,923		491,999
			8,708,723		**6,187,799**

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

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

Mr S Ramarao

Director

Date:

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2017	**2,460,360**	**3,235,440**	**98,798**	**5,794,598**
Comprehensive income for the year				
Profit for the year	-	-	393,201	393,201
At 1 April 2018	2,460,360	3,235,440	491,999	6,187,799
Profit for the year	-	-	2,520,924	2,520,924
At 31 March 2019	**2,460,360**	**3,235,440**	**3,012,923**	**8,708,723**

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

Notes forming part of financial statements

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 9HH.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Revenue

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

Rendering of services

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

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

2.3 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

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

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

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment. 2.5

Debtors

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

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

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

2.8 Creditors

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

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.10 Share based payments

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

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

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

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

2.11 Operating leases: the Company as lessee

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

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

2.12 Taxation

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

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

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

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2018   4).

Notes forming part of financial statements

4. Tangible fixed assets

	Shortterm leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2018	93,005	24,595	1,174	118,774
At 31 March 2019	**93,005**	**24,595**	**1,174**	**118,774**
Depreciation				
At 1 April 2018	38,624	7,299	1,174	47,097
Charge for the year on owned assets	18,600	3,515	-	22,115
At 31 March 2019	**57,224**	**10,814**	**1,174**	**69,212**
Net book value				
At 31 March 2019	35,781	13,781	-	49,562
At 31 March 2018	**54,381**	**17,296**	**-**	**71,677**

5. Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2018	72,121
Foreign exchange movement	(2,012)
At 31 March 2019	**70,109**

In 2018 the Company made a strategic investment of DKK 609,646 in IZARA ApS and acquired 15.67% of the total issued share capital.

6. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	39,780	39,780

	2019 £	2018 £
	£	£
Due within one year		
Trade debtors	3,909,839	1,225,174
Amounts owed by group undertakings	4,562,342	4,683,053
Other debtors	79,534	61,395
Prepayments and accrued income	928,513	245,726
	9,480,228	6,215,348

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	3,671,335	1,356,991

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	29,248	4,848
Amounts owed to group undertakings	2,521,045	1,364,537
Corporation tax	628,319	3,637
Other taxation and social security	459,819	33,124
Accruals and deferred income	963,860	161,972
	4,602,291	**1,568,118**

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
800 (2018 800) Ordinary shares of £1.00 each	800	800
2,459,560 (2018 2,459,560) 2% redeemable convertible preference shares of £1.00 each	2,459,560	2,459,560
	2,460,360	**2,460,360**

10. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under noncancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	33,150	33,150
Later than 1 year and not later than 5 years	24,863	58,013
	58,013	91,163

11. 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.

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Turnover	12,620,274	5,803,847
Cost Of Sales	(8,235,516)	(4,696,229)
Gross profit	4,384,758	1,107,618
Less: overheads		
Administration expenses	(1,201,402)	(744,252)
Establishment expenses	(34,113)	(32,558)
Operating profit	3,149,243	330,808
Tax on profit on ordinary activities	(628,319)	62,393
Profit for the year	**2,520,924**	**393,201**

	2019 £	2018 £
Turnover		
Sales	12,617,276	5,803,847
Other income	2,998	-
	12,620,274	**5,803,847**

	2019 £	2018 £
Cost of sales		
Purchases	8,235,516	4,696,229
	8,235,516	**4,696,229**

	2019 £	2018 £
Administration expenses		
Directors national insurance	36,393	35,789
Directors salaries	224,969	292,500
Staff salaries	373,372	251,782
Staff national insurance	50,718	35,609
Staff welfare	17,928	4,501
Entertainment	1,446	1,126
Hotels, travel and subsistence	68,724	49,467
Telephone and fax	3,351	2,499
Advertising and promotion	1,474	12,934
Trade subscriptions	5,930	4,040
Legal and professional	23,394	31,160
Auditors' remuneration	12,600	12,260
Accountancy fees	5,777	6,056
Equipment hire	8,147	-
Bank charges	5,241	7,478
Bad debts	71,924	(32,557)
Difference on foreign exchange	109,276	(123,608)
Sundry expenses	61,948	(1,283)
Rates	36,534	65,612
Insurances	804	2,036
Repairs and maintenance	14,168	14,117
Depreciation other fixed assets	18,600	18,600
Depreciation fixtures and fittings	3,515	3,515
Share option charge	45,169	50,619
	1,201,402	**744,252**

	2019 £	2018 £
Establishment		
Rent operating leases	34,113	32,558
	34,113	**32,558**

CERTIFICATION OF INDEPENDENT AUDITORS

We have reviewed the accompanying balance sheet of Sonata Software GmbH as of March 31, 2019 and the related profit and loss account for the period April 1, 2018 to March 31, 2019. These annual financial statements are in the responsibility of the management of Sonata Software GmbH. Our responsibility is to express an opinion on these annual financial statements based on our review.

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

In our opinion, the annual financial statements referred to above present fairly, in all material respects, the financial situation of Sonata Software GmbH as of March 31, 2019 and the results of its operations for the aforesaid period, in conformity with accounting principles generally accepted in Germany.

Sonata Software GmbH is a wholly owned subsidiary of Sonata Software Limited. Cologne, 10 April 2019

BALANCE SHEET as at March 31, 2019

		EUR	Financial year EUR	Prior year EUR
ASSETS				
A.	**Current assets**			
I.	Deb tors and other assets Financial year Prior year			
	1. Trade receivables	91.216,91		99.125,22
	2. Other assets	28.614,01		23.438,15
			119.830,92	122.563,37
II.	Cash in hand, central bank balances, bank balances and cheques		**404.705,12**	**274.277,73**
B.	**Prepaid Expenses**		-	582,83
			524.536.04	**397.423,93**
LIABILITIES AND EQUITY				
A.	**Equity**			
I.	Subscribed capital		25.000,00	25.000,00
II.	Capital reserve		25.000,00	25.000,00
III.	Retained profits brought forward		295.676,41	231.583,05
IV.	Net income for the financial year		**78.121,85**	**64.093,36**
B.	**Provisions**			
	1. Other provisions		59.726,00	23.799,00
	2. Provisions for taxes		11,012,00	
C.	**Liabilities**			
	1. Trade Payables - of which due within one year EUR 8.692,18 (EUR 11.110,34)	8.692,18		11.110,34
	2. Liabilities to other long-term investees and investors - of which due within one year EUR 1.000,00 (EUR 0,00)	1.000,00		0,00
	3. Other liabilities - of which taxes EUR 20.307,60 (EUR 16.838,18). - of which due within one year EUR 20.307,60 (EUR 16.838,18)	20.307,60		**16.838,18**
			29.999,78	**27.948,52**
			524.536.04	**397.423,93**

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

			Financial year	Prior year
		EUR	EUR	EUR
REVENUE				
1.	Sales		921.088,30	564.138,13
2.	Gross revenue for the period		921.088,30	564.138,13
3.	**Other operating income**			
	a) Miscellaneous other operating income		176,08	0,10
4.	**Personnel expenses**			
	a) Wages and salaries	657.839,33		349.266,05
	b) Social security costs and pension and welfare expense	131.136,55		72.770,78
			788.975,88	**422.036,83**
5.	**Other operating expense**			
	a) occupancy cost	3.300,00		3.300,00
	b) Insurance premiums, contributions and dues	582,83		754,79
	c) Travel and advertising expenses	3.969,84		5.691,41
	d) Miscellaneous operating costs	70.432,06		38.118,66
	e) Miscellaneous other operating expenses	1.994,05		167,68
			80.278,78	**48.032,54**
6.	Other interest and similar income		**124,00**	0,00
7.	Taxes on income		25.988,13-	29.975,50
6.	Net income/net loss after tax		78.121,85	64.093,36
8.	Net income for the financial year		**78.121,85**	**64.093,36**

ACCOUNTS MAKING UP BALANCE SHEET AS AT 31.03.19

ASSETS

Account Description	EUR	Financial year EUR	Prior year EUR
Trade receivables			
Trade receivables		91.216,91	99.125,22
Other assets			
Receivables from employees (payroll)	12.280,82		0,00
Security deposits	1.060,00		1.060,00
Receivables from trade tax overpayments	5.538,00		7.337,00
Reclaimed corporate income tax	7.157,00		14.491,66
Trade payables	149,49		149,49
Payroll liabilities	0,00		400,00
Input tax ded. following period/year	382,56		0,00
Social security liabilities	2.046,04		0,00
		28.614,01	**23.438,15**
Cash in hand, central bank balances, bank balances and cheques			
HypoVereinsbank # 364 624 700	404.705,12		274.277,73
		404.705,12	274.277,73
Prepaid expenses			
Prepaid expenses		0,00	582,83
Total		524.536,04	397.423,93

LIABILITIES AND EQUITY

Account Description	EUR	Financial year EUR	Prior year EUR
Subscribed capital			
Subscribed capital		25.000,00	25.000,00
Capital reserve			
Capital reserves		25.000,00	25.000,00
Retained profits brought forward			
Retained profits bef apprprtn net profit		295.676,41	231.583,05
Net income for the financial year			
Net income for thefinancial year		78.121,85	64.093,36
Provisions for taxes			
Provision for trade tax, EStG s. 4(5b)		11.012,00	0,00
Other provisions	59.726,00		23.799,00
Other provisions	0,00		1.500,00
Provisions for vacation pay	54.726,00		20.299,00
Provsns period-end closing/ audit costs	5.000,00		2.000,00
Trade payables		**8.692,18**	**11.110,34**
of which due within one year EUR 8.692,18			
(EUR 11.110,34)			
Liabilities to other long-term			
investees and investors			
Liablts to othr lg-tm invstees / invstrs		1.000,00	0,00
of which due within			
one year EUR 1.000,00			
(EUR 0,00)			
Other liabilities		20.307,60	16.838,18
Wage and church tax payables		7.783,12	7.206,39
Deductible input tax, 19%	13.261,99-		7.790,97-
VAT, 19%	99.173,07		96.590,00
VAT prepayments	85.910,93-		88.799,03-
VAT prepayments 1/11	7.473,00-		8.442,00-

Account Description		Financial year	Prior year
	EUR	EUR	EUR
VAT, current year	19.731,89		17.808,35
VAT, earlier years	265,44		265,44
		12.524,48	9.631,79
of which taxes EUR 20.307,60 (EUR 16.838,18)			
Wage and church tax payables			
Deductible input tax, 19%			
VAT, 19%			
VAT prepayments			
VAT prepayments 1/11			
VAT, current year			
VAT, earlier years			
of which due within one year EUR 20.307,60 (EUR 16.838,18)			
Wage and church tax payables			
Deductible input tax, 19%			
VAT, 19%			
VAT prepayments			
VAT prepayments 1/11			
VAT, current year			
VAT, earlier years			

ACCOUNTS MAKING UP PROFIT AND LOSS ACCOUNT FROM 01.04.18 TO 31.03.19

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Sales			
Tax-exemt other serv. s. 18b UStG	399.125,00		55.770,00
Revenue, 19% VAT	521.963,30		508.368,13
		921.088,30	564.138,13
Miscellaneous other operating income			
Other operating income	0,00		**0,10**
Prior-period income	176,08		0.00
		176,08	0,10
Wages and salaries			
Salaries	623.412,33-		340.967,05-
Expenses for holiday	34.427,00-		8.299,00-
		657.839,33-	349.266,05-
Social security costs and pension and welfare expense			
Statutory social security expenses	130.385,26-		72.464,64-
Contrib. to occup. health/safety agency	751,29-		306,14-
		131.136,55-	**72.770,78-**
Cost of premises			
Rent (immovable property)		3.300,00-	3.300,00-
Insurance premiums, contributions and dues			
Insurance premiums	238,67-		318,23-
Contributions	344,16-		436,56-
N-tx dedctbl filing penalties/adm. fines	0 00		0 00
		582,83-	754,79-
Travel and advertising costs			
Advertising costs	0,00		0,00
Employee travel expenses	3.969,84-		5.691,41-
		3.969,84-	5.691,41-
Miscellaneous operating costs			
Other operating expenses	0,00		0,69-
Postage	57,57-		57,08-
Telephone	14,48-		8,50-
Legal and consulting costs	31.095,02-		17.609,38-
Period-end closing and audit costs	7.110,22-		2.030,00-
Bookkeeping costs	12.813,47-		7.900,00-

Payroll accouting cost	18.877,50-		10.300,00-
Incidental monetary transaction costs	463,80-		213,01-
		70.432,06-	38.118,66-
Miscellaneous other operating expenses			
Prior-period expenses	1.994,05-		167,68-
Account Description		Financial year	Prior year
	EUR	EUR	EUR
Other interest and			
similar income			
Interest income s. 233a AO, taxable		124,00	0,00
Taxes on income			
Corporate income tax	8.100,00-		14.100,00-
Corp. incm tax refunds prior years	23.759,00		0,00
Solidarity surcharge refunds prior years	1.306,73		0,00
Solidarity surcharge	445,60-		775,50-
Trade tax	8.694,00-		15.100,00-
Backp/refunds trade tax pr yrs, s 4/5	18.162,00		
		25.988,13	**29.975,50-**
Net income for the financial year			
Net income for the financial year		78.121,85	64.093,36

CURRENT ACCOUNT FOR THE BALANCE SHEET AS AT 31.03.2019

LIST OF DEBTORS Debtors with debit balances

Account Description		Financial year	Prior year
	EUR	EUR	EUR
Sonata Europe Limited	49.875,00		10.000,00
TUI InfoTec GmbH	41.341,91		89.125,22
		91.216,91	**99.125,22**

LIST OF Payables with credit balances

Account Description		Financial year	Prior year
	EUR	EUR	EUR
IHK Frankfurt	0,00		458,88
KPMG AG	0,00		5.310,28
RLT Ruhrmann Tieben & Partner mbB	4.877,18		5.334,18
Sunita Phadnis-Otto	3.808,00		0,00
VerwaltungssBerufsgenossenschaft	7,00		7,00
		8.692,18	**11.110,34**

LIST OF Payables Payables WITH DEBIT BALANCES

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

BALANCE SHEET as at March 31, 2019

USD

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		-	-
Other non-current assets	3	1,728	1,728
Total non-current assets		**1,728**	**1,728**
CURRENT ASSETS			
Financial assets	4		
Trade receivables	4.1	684,930	715,609
Cash and cash equivalents	4.2	82,303	312,044
Total current assets		**767,233**	**1,027,653**
Total assets		**768,960**	**1,029,381**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	5	86	86
Other equity	6	(520,422)	(181,931)
Total Equity		**(520,336)**	**(181,845)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	7	300,000	300,000
Total non-current liabilities		**300,000**	**300,000**
Current liabilities			
Financial liabilities	8		
Trade payables		40,413	215,147
Other financial liabilities	8.1	948,883	696,079
Total current liabilities		**989,296**	**911,226**
Total equity and liabilities		**768,960**	**1,029,381**

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

USD

	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	9.1	394,419	675,531
Other income	9.2	7	11
Total revenue		**394,426**	**675,542**
EXPENSES			
Employee benefit expenses	10	192,000	192,000
Finance costs	11	18,045	10,532
Other expenses	12	522,872	685,229
		732,917	**887,761**
Loss before tax		**(338,491)**	**(212,219)**
Tax expense			
Current tax expense		-	-
Net tax expense		-	-
Loss after tax		**(338,491)**	**(212,219)**
Earnings per share - Basic and Diluted	17	(0.39)	(0.25)

See accompanying notes forming part of financial statements

CASH FLOW STATEMENT for the year ended March 31, 2019

USD

	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(338,491)	(212,219)
Adjustments for :		
Interest expense	18,045	10,532
Operating Profit before working capital changes	**(320,446)**	**(201,687)**
Adjustments for :		
Decrease/(increase) in trade receivables	30,679	315,951
Decrease/(increase) in short-term loans and advances	-	17
(Decrease)/increase in trade payables	(174,734)	(63,704)
(Decrease)/increase in other current liabilities	-	136,589
Cash generated from operations	**(464,501)**	**187,166**
Direct taxes/advance tax paid (net)		-
Net cash from operating activities	**(464,501)**	**187,166**
Net cash from operating activities after exceptional items	(464,501)	187,166
B. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) from/(of) short-term borrowings (net)	(18,045)	(10,532)
(Decrease)/increase in financial Liabilities payables	252,805	-
Net cash flow from financing activities	**234,760**	**(10,532)**
Net increase/(decrease) in cash and cash equivalents	(229,741)	176,634
Opening cash and cash equivalents	312,044	135,410
Closing cash and cash equivalents	**82,303**	**312,044**
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In Current accounts	82,303	312,044
	82,303	**312,044**

See accompanying notes forming part of financial statements

Notes forming part of financial statements

1 COMPANY OVERVIEW

Rezopia Inc. ("Rezopia" or the "Company") is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customers in the United States of America. The Company is a public limited company incorporated in US with its registered office at Delaware,USA. Sonata Software Limited through its wholly owned subsidiary, Sonata software North America Inc has acquired 60% ownership of Rezopia Inc on 11th September 2015 and remaining 40% ownership on 10th January 2019.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

c. Use of judgement, estimates and assumptions

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

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

i) Income taxes

The Company's major tax jurisdictions is USA. 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) Impairment testing: Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) 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.

iv) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. 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. "

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the “functional currency”). The financial statements are presented in USD, the national currency of USA, which is the functional currency of the Company.

b. Property, plant and equipment

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

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

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

c. Capital work-in-progress

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

d. Depreciation/ Amortisation

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

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

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

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

f. Financial Instruments

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

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

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

Non-derivative financial assets

i. Financial assets at amortised cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

Offsetting financial instruments

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

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

g. Employee Benefits

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

Short-term employee benefits -need to be updated

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

h. Provisions

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

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

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

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

i. Income Taxes

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

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

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

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

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

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

j. Leases

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

k. 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.

l. 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) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised when customer obtains control of the specified asset. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) Maintenance Contracts

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

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

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

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

n. 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."

o. 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."

p. Impairment

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

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

ECL allowance (or reversal) is recognised as income / expense in the 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 acumulated depreciation) had no impairement 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")."

q. Earnings per share

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

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

r. Contingent Liabilities

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

s. Contingent Assets

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

t. 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."

u. New standards and interpretations not yet adopted

Ind AS 116 - 'Leases': The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases on March 30, 2019. This replaces Ind AS 17, related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. "

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements

Notes forming part of financial statements

3 : Other non-current assets

USD

	As at March 31, 2019	As at March 31, 2018
Advance tax	800	800
Other recoverables	928	928
Total	**1,728**	**1,728**

4.1 : Trade receivables

USD

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered good	684,927	715,609
Considered doubtful	750	750
	685,677	716,359
Less : Allowances for credit losses	750	750
Total	**684,930**	**715,609**

4.2 : Cash and cash equivalents

USD

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In Current accounts	82,303	312,044
Total	**82,303**	**312,044**

5. Equity share capital

USD

	As at March 31, 2019	As at March 31, 2018
Issued, Subscribed and paid-up		
$0.0001 per value 860,000 equity shares each fully paid-up	86	86
Total	**86**	**86**

6. Other equity

USD

	As at March 31, 2019	As at March 31, 2018
Deficit in Statement of Profit and Loss		
Opening balance	(181,931)	30,288
Loss for the year	(338,491)	(212,219)
Closing balance	(520,422)	(181,931)
Total	**(520,422)**	**(181,931)**

7 : Other Financial liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Loans and advances from related parties		
Inter-corporate borrowings from holding Company - Unsecured	300,000	300,000
Total	**300,000**	**300,000**

8.1 : Other current liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Interest accrued on Inter-corporate borrowings	35,163	17,118
Reimbursable expenses payable to related party	913,720	678,961
Total	**948,883**	**696,079**

9.1 : Revenue from operations

USD

	As at March 31, 2019	As at March 31, 2018
Revenue from Software services	125,100	133,600
License Fees	269,319	541,931
Total	**394,419**	**675,531**

9.2 : Other income

USD

	As at March 31, 2019	As at March 31, 2018
Miscellaneous income	7	11
Total	**7**	**11**

10 : Employee benefit expenses

USD

	As at March 31, 2019	As at March 31, 2018
Salaries and allowances	192,000	192,000
Total	**192,000**	**192,000**

11 : Finance costs

USD

	As at March 31, 2019	As at March 31, 2018
Interest Expense - Others	18,045	10,532
Total	**18,045**	**10,532**

12 : Other expenses

USD

	As at March 31, 2019	As at March 31, 2018
Rates and taxes	2,944	608
Software Project fees	87,570	256,134
Professional and technical fees	426,422	418,376
Miscellaneous expenses	5,936	10,111
Total	**522,872**	**685,229**

13: Contingent Liabilities

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

14: Commitments

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

(USD)

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for.		

15 : Segment reporting

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

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

16 : Related party disclosure

i) Details of related parties :

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

ii) Transactions with related parties :

USD

Particulars	Holding Company	
	March 31,2019	March 31,2018
Deputation cost / Service charges / Software project fees		
Sonata Software Ltd - Rendering of Services	87,570	256,134
Sonata Software North America Inc.	192,000	192,000
Revenue		
Sonata Software North America Inc.	269,319	541,930
Interest on inter corporate deposits		
Sonata Software North America Inc.	18,045	10,532

USD

Particulars	Holding Company	
	March 31,2019	March 31,2018
Balances outstanding at the end of the year		
Trade Receivables		
Sonata Software North America Inc.	412,288	631,560
Advances receivables		
Sonata Software North America Inc.	272,639	84,048
Trade payables		
Sonata Software Ltd.	-	169,579
Inter corporate borrowings		
Sonata Software North America Inc.	300,000	300,000
Interest payable on borrowings		
Sonata Software North America Inc.	35,163	17,118
Advance Paybles		
Sonata Software North America Inc.	913,720	671,720
Sonata Software Ltd.	-	7,241

17 : Earnings Per Share

USD

Particulars	March 31,2019	March 31,2018
Profit attributable to equity shareholders (USD)	(338,491)	(212,219)
Weighted average number of Equity Shares of (USD 0.0001)	860,000	860,000
Earnings Per Share - Basic and Diluted (USD)	(0.39)	(0.25)

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

For and on behalf of the Board of Directors

Place : Mumbai

Date: 30th May, 2019

OFFICERS AND PROFESSIONAL ADVISERS

Company registration number	17270
Directors	Srikar Reddy Palem Anantha Padmanabhan
Registered office	Office # 2117 Al Shatha Tower Dubai Internet City P.O. Box 502818 Dubai, United Arab Emirates
Banker	Standard Chartered Bank 16th Floor Standard Chartered Tower Downtown Dubai P.O. Box 999 Dubai, United Arab Emirates
Auditors	Russell Bedford Mohamed Al Hashmi Auditors and Accountants Office No. 1503, Level 15, Al Moosa Tower 1 Sheikh Zayed Road P.O. Box 113178 Dubai, United Arab Emirates

THE REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the financial statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

RESULTS

The results for the year and the Company's financial position for the year ended 31 March 2019 are shown in the attached financial statements.

DIRECTORS AND THEIR INTEREST

As at 31 March 2019, the directors of the company were Mr. Srikar Reddy Palem and Mr. Anantha Padmanabhan and they did not hold any shares in the company.

INDEPENDENT AUDITORS

Russell Bedford Mohamed Al Hashmi Auditors and Accountants have indicated their willingness to remain in office and a resolution to re-appoint them as auditor will be proposed at the Annual General Meeting.

Approved by the board on ....and signed on its behalf by:

....

Director

STATEMENT OF FINANCIAL POSITION as at March 31, 2019

	Note No.	2019 USD	2018 USD
ASSETS			
NON - CURRENT ASSETS			
Tangible assets	7	333	410
CURRENT ASSETS			
Trade and other receivables	8	500,693	559,309
Work in progress	9	–	133,882
Cash and cash equivalents	10	466,566	494,006
Amounts due from related parties	13	892,714	560,454
Total current assets		**1,859,973**	**1,747,651**
TOTAL ASSETS		**1,860,306**	**1,748,061**
LIABILITIES			
NON - CURRENT LIABILITIES			
Provisions for employees' end of service benefits	11	25,004	18,425
CURRENT LIABILITIES			
Trade and other payables	12	157,454	105,829
Amounts due to related parties	13	2,382,097	1,940,024
Total current liabilities		**2,539,551**	**2,045,853**
TOTAL LIABILITIES		**2,564,555**	**2,064,278**
EQUITY			
Share capital	14	136,129	136,129
Accumulated losses		(840,378)	(452,346)
Total equity		**(704,249)**	**(316,217)**
TOTAL LIABILITIES AND EQUITY		**1,860,306**	**1,748,061**

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

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

....

Director

The notes on pages 9 to 21 form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME for the year ended March 31, 2019

	Notes	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Revenue	5	976,376	2,747,690
Cost of services		(1,007,054)	(2,315,677)
GROSS (LOSS) / PROFIT FOR THE YEAR		(30,678)	432,013
General and administrative expenses		(281,426)	(259,496)
Interest expense		(99,921)	(22,142)
		(412,025)	**150,375**
Other income		23,993	–
NET (LOSS) / PROFIT FOR THE YEAR	**6**	**(388,032)**	**150,375**
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE YEAR		**(388,032)**	**150,375**

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

The notes on pages 9 to 21 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2019

	Share capital USD	Accumulated losses USD	Total USD
At 1 April 2017	136,129	(602,721)	(466,592)
Profit for the year	–	150,375	(150,375)
At 31 March 2018	136,129	(452,346)	(316,217)
At 1 April 2018	136,129	(452,346)	(316,217)
Loss for the year	–	(388,032)	(388,032)
At 31 March 2019	136,129	(840,378)	(704,249)

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

The notes on pages 9 to 21 form part of these financial statements

STATEMENT OF CASH FLOWS for the year ended March 31, 2019

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the year	(388,032)	150,375
Adjustments for non-cash items:		
Provision for doubtful accounts	2,453	207
Interest expense	99,921	22,142
Provision for employees' end of service benefits	14,323	15,983
Depreciation and amortisation during the year	77	77
	(271,258)	**188,784**
CHANGES IN WORKING CAPITAL		
Change in trade and other receivables	56,163	275,471
Change in work in progress	133,882	211,845
Change in amounts due from related parties	(332,260)	(176,318)
Change in amounts due to related parties	(247,849)	(1,635,777)
Change in trade and other payables	51,626	29,141
Cash used in operating activities	**(609,696)**	**(1,106,854)**
Employees' end of service benefits paid	**(7,744)**	**(28,691)**
NET CASH FLOWS UTILISED IN OPERATING ACTIVITIES	(617,440)	(1,135,545)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Loan from a related party	590,000	1,400,000
NET (DECREASE) / INCREASE	(27,440)	264,455
IN CASH AND CASH EQUIVALENTS		(27,440)
CASH AND CASH EQUIVALENTS		
At the beginning of the year	494,006	229,551
At the end of the year	**466,566**	**494,006**

The notes on pages 9 to 21 form part of these financial statements

Notes forming part of financial statements

1. Legal status and principal activities

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

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

2. Going concern

The Company has incurred a net loss of USD 388,032 during the year ended 31 March 2019, and as of that date, the accumulated losses amounted to USD 840,378 (2018: USD 452,346). These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as going concern. Notwithstanding these facts, these financial statements have been prepared on a going concern basis as the management believes that the Company will generate sufficient profits in future to absorb the losses and the Parent Company have agreed to provide the necessary financial support to the Company to enable it to continue its operations and meet its financial obligations as and when they fall due.

3. New standards and amendments

New standards and amendments – applicable 1 April 2018

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after 1 April 2018.

- IFRS 9 Financial instruments and associated amendments to various other standards;
- IFRS 15 Revenue from contracts with customers and associated amendments to various other standards;
- IFRS 16 Leases;
- Classification and measurement of share-based payment transactions – Amendments to IFRS 2;
- Annual improvements 2014-2016 cycle;
- Annual improvements 2015-2017 cycle;
- Amendments to IAS 40 – Transfers of investment property; and
- Interpretation 22 foreign currency transactions and advance consideration

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

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 March 2019:

Description	Effective for annual periods beginning on or after
IAS 1 and IAS 8 – Amendments in definition of Material	1 January 2020
IFRS 17 – Insurance Contracts	1 January 2021

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

4. Basis of preparation and significant accounting policies

Statement of compliance

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

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgements

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

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

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

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations 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.

Changes in significant accounting policies

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through OCI ("FVTOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortised cost. The Company has determined that application of IFRS 9 impairment requirement as at 1 January 2018 does not result in additional impairment.

Performance obligation and revenue recognition under IFRS 15

IFRS 15 establishes revenue recognition criteria in determining whether, how much and when revenue is recognised. The Company recognises revenue when it transfers control over services to customers. The Company provides value - based information technology (IT) solutions and related services to their customers. Revenue is recognised at the time when the underlying services have been rendered to the customers based on the terms and agreements as outlined in the contracts.

IFRS 15 Revenue from Contracts with Customers

The Company has adopted IFRS 15 Revenue from Contracts with Customers by applying the cumulative effect method. This standard is recognized at the date of initial application (i.e. January 2018).

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 Financial Instruments by applying the cumulative effect method. This standard is effective for annual periods beginning on or after January 2018. Accordingly, the comparative information has not been restated and is presented as reported under IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and superseded IAS 17 Leases. All leases are being recognised in the balance sheet as the distinction between operating and finance lease is removed for leases. Under the new standard, both an asset (the right to use the leased item) and a financial liability to pay the rentals are recognised. The only exceptions are short-term and low value leases.

The Company used the recognition exemption for short-team leases and elected to account for lease payments as an expense on a straight-line basis over the lease term in the income statement.

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.

Tangible assets

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

Depreciation

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

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

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

Cash and cash equivalents

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

Impairment of non-financial assets

Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non- financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Policy applicable before 1 April 2018

Classification

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

Loans and receivables

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

Impairment of financial assets

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

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

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

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

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

The Company considers a financial asset to be in default when, the borrower is unlikely to pay its credit obligation to the Company in full or the financial asset is more than 90 days past due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and 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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; and
- the disappearance of an active market for a security because of financial difficulties.

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 and equity instruments

Classification of debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued by the Company recorded at the proceeds received, net of direct issue costs.

Financial liabilities

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

Derecognition of financial liabilities

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

Share capital

Ordinary shares are classified as equity.

Provisions

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

Employees' end of service benefits

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

Revenue recognition

Revenue is recognised at the time when the underlying service has been rendered to the customer.

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; and
- 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 transferring promised goods or services to the customer.

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

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or 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.

Interest income

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

Costs and expenses

Costs and expenses are recognised when incurred.

Related party transactions and relationships

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between entities, which are under common control with the reporting enterprise or between the reporting enterprise and its key management personnel, directors, or its shareholder.

Transactions between related parties are accounted for at agreed terms. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Notes forming part of financial statements

5. Revenue

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Revenue from providing value-based information technology (IT) solutions	976,376	2,747,690

6. Net loss/(profit

Net loss/(profit) is stated after charging:

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Software project fees	521,290	1,808,006
Rent and maintenance	169,496	202,162
Salaries	364,523	459,899
Auditor's remuneration	13,756	19,607
Sales commission	28,763	27,898
Foreign exchange net loss/(gain)	10,705	9,537
Telephone and internet	13,756	16,147
Rebates and discounts	90,710	–
Other administrative expenses	75,481	31,917

7. Tangible assets

	Leasehold improvements USD	Office equipment USD	Computers and peripherals USD	Furniture and fixtures USD	Total USD
Cost					
At 1 April 2017 and					
31 March 2018	2,852	451	8,268	5,236	16,807
At 1 April 2018 and					
31 March 2019	2,852	451	8,268	5,236	16,807
Accumulated depreciation					
At 1 April 2017	2,852	451	8,268	4,749	16,320
Charge during the year	–	–	–	77	77
At 31 March 2018	2,852	451	8,268	4,826	16,397
At 1 April 2018	2,852	451	8,268	4,826	16,397
Charge during the year	–	–	–	77	77
At 31 March 2019	2,852	451	8,268	4,903	16,474
Net book value					
At 31 March 2019	–	–	–	333	333
At 31 March 2018	–	–	–	410	410

8. Trade and other receivables

	2019 USD	2018 USD
Trade receivables	584,698	637,328
Prepayments	8,352	9,547
Other receivables and deposits	25,705	28,042
	618,755	**674,917**
Provision for doubtful accounts	(118,062)	(115,608)
	500,693	**559,309**

The movements in the provision for doubtful accounts are as follows:

	2019 USD	2018 USD
At 1 April	115,608	115,401
Provision during the year	2,454	207
At 31 March	**118,062**	**115,608**

The Company risk exposure and expected credit losses are disclosed in Note 15.

9. Work in progress

	2019 USD	2018 USD
Work in Progress	–	133,882

10. Cash and cash equivalents

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

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

11. Provision for employees' end of service benefits

	2019 USD	2018 USD
At 1 April	18,425	31,133
Provision for the year	14,323	15,983
Payment during the year	(7,744)	(28,691)
At 31 March	**25,004**	**18,425**

12. Trade and other payables

	2019 USD	2018 USD
Trade creditors	19,226	–
Accrued expenses	24,587	41,821
Accrued salaries and benefits	16,965	23,497
Accrued sales commission	96,676	40,511
	157,454	**105,829**

13. Related party transactions

The Company, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties comprise companies and entities under common control ownership and/or common management and control and key management personnel. These transactions have been carried out on the basis of the terms agreed between the Company and the management of the related parties.

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

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Operational charges to related parties	792,392	1,900,683
Reimbursement of expenses	228,485	1,043
Loan from a related party	1,990,000	1,400,000
Interest expense on loan	122,063	22,142
	3,132,940	**3,323,868**

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

Amounts due from related parties	2019 USD	2018 USD
Sonata Software (Qatar) (Entity under common control)	864,104	529,126
Mohamed Nasser Abdullah Al Misnad (Joint venture)	28,422	28,422
Sonata Software Limited (Shareholder)	188	2,906
	892,714	**560,454**

Amounts due to related parties	2019 USD	2018 USD
Sonata Software Limited (Shareholder)	270,034	517,882
Sonata Software North America Inc.* (Entity under common control)	2,112,063	1,422,142
	2,382,097	**1,940,024**

*The Company obtained a loan from Sonata Software North America with an interest rate of 3.39% per annum on May 23, 2017, August 8, 2017, March 26, 2018, September 20, 2018 and December 12, 2018 amounting to USD 500,000, USD 300,000, USD 600,000, USD 340,000 and USD 250,000 respectively. The loan is repayable on demand. Total interest expenses accrued amounted to USD 122,063 while USD 99,921 and USD 22,142 were the interest expenses for the year ended 31 March 2019 and 2018, respectively.

14. Share capital

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

	2019		2018	
	Number of shares	Amount USD	Number of shares	Amount USD
Authorised shares of AED 1,000 each (converted to USD at the rate of 3.673 each)	500	136,129	500	136,129
Issued and paid	500	136,129	500	136,129

15. Financial instruments

	2019		2018	
	Carrying amount USD	Fair value USD	Carrying amount USD	Fair value USD
Financial assets				
Cash and cash equivalents	466,566	466,566	494,006	494,006
Amounts due from related parties	892,714	892,714	560,454	560,454
Trade and other receivables	492,341	492,341	549,762	549,762
Financial liabilities				
Trade and other payables	157,454	157,454	105,829	105,829
Amounts due to related parties	2,382,097	2,382,097	1,940,024	1,940,024
Provision for employee's end of service benefits	25,004	25,004	18,425	18,425

The fair value of financial assets and liabilities approximate the book value at 31 March 2019. Accounting policies for financial assets and financial liabilities are set out in Note 4. Trade and other receivables exclude prepayments.

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

The company manages these risks as follows:

Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which is comprised primarily of bank balance and trade receivables and amounts due from a related party.

Bank balance

Credit risk from bank is managed in accordance with the Company's policy. The Company's bank account is placed only with high credit quality financial institution. Expected credit loss for bank balance is disclosed in Note 10.

Amounts due from trade and other receivables and related parties

The credit risk on amounts due from trade and other receivables and related parties are subjected to credit evaluations. The Company assesses the credit quality of the trade and other receivables and related parties, taking into account its financial position, past experience and other factors. Outstanding receivable balances are regularly monitored.

15. Financial instruments (continued)

Liquidity risk

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

16. Accounting estimates and judgments

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

17. 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.

18. Operating lease commitments

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

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

	2019 USD	2018 USD
Less than one year	84,206	95,628
Between two and Five years	–	–
	84,206	**95,628**

19. Contingent Liabilities and Commitments

Contingent Liabilities

As at 31 March 2019, there are no known legal proceedings or other contingent liabilities against the Company (2018: Nil).

Commitments

The Company does not have any significant capital commitments as at 31 March 2019 (2018: Nil).

20. Subsequent events

There were no subsequent events after the reporting date.

Company registration number	51072
General Managers	Mr. Anantha Balasubramanian Mr. Mysore Prasad
Registered office	Office 543, Regus Business Centre 5th Floor, Gath Building Fereej Bin Mahmood South Near Ramada Junction P.O. Box 47095 Doha, Qatar
Bankers	Standard Chartered Bank Main Branch Level 17, Doha Qatar Al Corniche Street P.O. Box 29 Doha, Qatar
Auditors	Russell Bedford Mohamed Al Hashmi Auditors and Accountants Office 1503, Al Moosa Tower 1 Sheikh Zayed Road P.O. Box 113178 Dubai, United Arab Emirates

The general managers have pleasure in presenting their report and the financial statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITY OF THE BUSINESS

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

RESULTS

The results for the year and the Company's financial position as at 31 March 2019 are shown in the attached financial statements.

GENERAL MANAGERS AND THEIR INTEREST

As at 31 March 2019, the general managers of the Company are Mr. Anantha Balasubramanian and Mr. Mysore Prasad and they do not hold any shares in the Company.

INDEPENDENT AUDITORS

Russell Bedford 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 .... and signed on behalf of the general managers by:

....

General Manager

	Notes	2019 USD	2018 USD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	108,259	1,649
Prepayments and other receivables	6	7,626	34,799
Amounts due from a related party	7	187,393	73,587
TOTAL ASSETS		**303,278**	**110,035**
LIABILITIES			
CURRENT LIABILITIES			
Amounts due to a related party	7	864,105	529,126
Other payables	8	16,651	29,325
Total current liabilities		**880,756**	**558,451**
NON - CURRENT LIABILITIES			
Provision for employees' end of service benefit	9	-	13,598
TOTAL LIABILITIES		880,756	572,049
EQUITY			
Share capital	10	55,080	55,080
Accumulated losses		(632,558)	(517,094)
Total equity		(577,478)	(462,014)
TOTAL LIABILITIES AND EQUITY		303,278	110,035
The Independent Auditors' Report is set out on pages 3 and 4.			

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

General Manager

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Revenue	**11**	271,102	92,679
Cost of services		(271,102)	(92,679)
GROSS PROFIT FOR THE YEAR		-	–
General and administrative expenses		(121,714)	(114,893)
Other income		6,250	6
NET LOSS FOR THE YEAR	**12**	(115,464)	(114,887)
OTHER COMPREHENSIVE INCOME		-	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(115,464)	(114,887)

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

The notes on pages 9 to 20 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital USD	Accumulated losses USD	Total USD
As at 1 April 2017	55,080	(402,207)	(347,127)
Loss for the year	–	(114,887)	(114,887)
As at 31 March 2018	55,080	(517,094)	(462,014)
As at 1 April 2018	55,080	(517,094)	(462,014)
Loss for the year	-	(115,464)	(115,464)
As at 31 March 2019	55,080	(632,558)	(577,478)

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

The notes on pages 9 to 20 form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(115,464)	(114,887)
Adjustments for non-cash items:		
Receivables written-off	(47,150)	-
Provision for employees' end of service benefits	885	13,598
	(161,729)	**(101,289)**
Changes in working capital		
Change in prepayments and other receivables	74,323	(27,140)
Change in amounts due from a related party	(113,806)	(73,587)
Change in amounts due to a related party	334,979	177,361
Change in other payables	(12,674)	891
Cash generated from/(utilised in) operating activities	121,093	(23,764)
Employees' end of service benefits paid	(14,483)	-
NET CASH GENERATED FROM / (UTILISED) IN OPERATING ACTIVITIES	106,610	(23,764)
NET INCREASE / (DECREASE) INCASH AND CASH EQUIVALENTS	106,610	(23,764)
CASH AND CASH EQUIVALENTS		
At the beginning of the year	1,649	25,413
At the end of the year	108,259	1,649

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

The notes on pages 9 to 20 form part of these financial statements

1. Legal status and principal activities

Sonata Software (Qatar) ("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 activity of the company is software development and information technology consulting.

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

2. Going concern

The Company has incurred a net loss of USD 115,464 during the year ended 31 March 2019 (2018: USD 114,887), and as at that date, the accumulated losses amounted to USD 632,558 (2018: USD 517,094). These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as going concern. Notwithstanding these facts, these financial statements have been prepared on a going concern basis as the management believes that the Company will generate sufficient profits in future to absorb the losses and the shareholders have agreed to provide the necessary financial support to the Company to enable it to continue its operations and meet its financial obligations as and when they fall due.

3. New standards and amendments

New standards and amendments – Applicable 1 April 2018

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after 1 April 2018:

- IFRS 9 Financial instruments and associated amendments to various other standards;
- IFRS 15 Revenue from contracts with customers and associated amendments to various other standards;
- IFRS 16 Leases;
- Classification and measurement of share-based payment transactions – Amendments to IFRS 2;
- Annual improvements 2014-2016 cycle;
- Annual improvements 2015-2017 cycle;
- Amendments to IAS 40 – Transfers of investment property; and
- Interpretation 22 foreign currency transactions and advance consideration.

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

The following standards and interpretations that has been issued but were not mandatory for annual reporting period ended 31 March 2019:

Description	Effective for annual periods beginning on or after
IAS 1 and IAS 8 – Amendments in definition of Material	1 January 2020
IFRS 17 – Insurance Contracts	1 January 2021

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

4. Basis of preparation and significant accounting policies

Statement of compliance

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

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgements

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

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

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

Changes in significant accounting policies

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVTOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset under IFRS 9 is generally based on the business model in which as financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification

Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortised cost. The Company has determined that application of IFRS 9 impairment requirement as at 1 January 2018, does not result in additional impairment.

IFRS 15 Revenue from Contracts with Customers

The Company has adopted IFRS 15 Revenue from Contracts with Customers by applying the cumulative effect method. This standard is recognised at the date of initial application (i.e. January 2018).

4. Basis of preparation and significant accounting policies (continued)

Performance obligation and revenue recognition under IFRS 15

IFRS 15 establishes revenue recognition criteria in determining whether, how much and when revenue is recognised. The Company provides software development and information technology consulting. Revenue is recognised at the time when the underlying services are provided to the customer based on the terms and agreements as outlined in the contracts.

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 Financial Instruments by applying the cumulative effect method. This standard is recognised at the date of initial application (i.e. January 2018). Accordingly, the information presented for the year ended 2019 has not been restated and is presented as reported under IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and supersedes IAS 17 Leases. All leases are being recognised in the balance sheet as the distinction between operating and finance lease is removed for leases. Under the new standard, both an asset (the right to use the leased item) and a financial liability to pay the rentals are recognised. The only exceptions are short-term and low value leases.

The Company use the recognition exemption for short-team lease and elect to account for lease payments as an expense on a straight-line basis over the lease term in the income statement.

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.

Financial assets

Policy applicable before 1 April 2018

Classification

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

Financial assets (continued)

Policy applicable before 1 April 2018 (continued)

Loans and receivables

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

Impairment of financial assets

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

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

Policy applicable after 1 April 2018

Classification

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

- Those to be measure 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 a 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.

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 measure 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 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 simplified approach permitted by IFRS 9. 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.

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

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

The Company considers a financial asset to be in default when, the borrower is unlikely to pay its credit obligation to the Company in full or the financial asset is more than 90 days past due.

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 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;
- 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.

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 and equity instruments

Classification of debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued by the Company recorded at the proceeds received, net of direct issue costs.

Financial liabilities and equity instruments (continued)

Financial liabilities

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

Derecognition of financial liabilities

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

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.

Employee end of service benefits

The provision for employees' end of service benefits is based on the liability that would arise considering employees' accumulated period of service and current basic remuneration at the statement of financial position date and has been calculated in accordance with Article 54 of the Labor Law of Qatar.

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; and
- 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 transferring promised goods or services to the customer.

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

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or 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.

5. Cash and cash equivalents

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

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

6. Prepayments and other receivables

	2019 USD	2018 USD
Prepayments	3,750	3,580
Security deposit and other receivables	3,876	31,219
	7,626	**34,799**

The Company risk exposure and expected credit losses are disclosed in Note 13.

7. Related party transactions

The Company, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties comprise companies and entities under common control ownership and/or common management and control and key management personnel. These transactions have been carried out on the basis of the terms agreed between the Company and the management of the related parties.

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

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Operational charges to related party	271,102	92,679
Reimbursement of expenses	66,590	84,682
	337,692	**177,361**

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

	2019	2018
Amounts due to a related party	USD	USD
Sonata Software FZ LCC (Entity under common control)	864,105	529,126

	2019	2018
Amounts due from a related party	USD	USD
Sonata Software Limited (Shareholder)	187,393	73,587

8. Other payables

	2019	2018
	USD	USD
Accrued expenses	14,792	26,229
Accrued salaries and other benefits	1,859	3,096
	16,651	29,325

9. Provision for employees' end of service benefits

	2019 USD	2018 USD
At 1 January	13,598	10,012
Provision during the year	885	3,586
Payment during the year	(14,483)	-
At 31 December	-	13,598

10. Share capital

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

	2019		2018	
	Number of shares	Amount USD	Number of shares	Amount USD
Authorised shares of QAR 1,000				
each (converted to USD at the rate of 0.275 each)	200	55,080	200	55,080
Issued and paid	200	55,080	200	55,080

11. Revenue

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Revenue from software development and information technology consulting	271,102	92,679

12. Net loss

Net loss is stated after charging:

	For the year ended 31 March 2019 USD	For the year ended 31 March 2018 USD
Staff costs	25,625	67,418
Office rent	21,780	22,121
Audit fee	10,813	18,592

13. Financial instruments

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD	USD	USD	USD
Financial assets				
Cash and cash equivalents	108,259	108,259	1,649	1,649
Other receivables	3,876	3,876	31,219	31,219
Amounts due from a related party	187,393	187,393	73,587	73,587
Financial liabilities				
Other payables	16,651	16,651	29,325	29,325
Amounts due to a related party	864,105	864,105	529,126	529,126
Provision for employees' end of service benefit	-	-	13,598	13,598

The fair value of financial assets and liabilities approximate their book value at 31 March 2019. Accounting policies for financial assets and financial liabilities are set out in Note 4.

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 comprised primarily of bank balance and amounts due from a related party.

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 5.

Amounts due from a related party

The credit risk on amounts due from a related party is subjected to credit evaluations. The Company assesses the credit quality of the amounts due from a related party, taking into account its financial position, past experience and other factors. Outstanding receivable balances are regularly monitored.

Liquidity risk

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

14. 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.

15. Operating lease commitments

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

The total future minimum lease payments are as follows:

	2019 USD	2018 USD
Less than one year	12,462	21,264
Between two and five years	-	12,404
	12,462	**33,668**

16. Contingent liabilities and commitments

Contingent liabilities

As at 31 March 2019, there are no known legal proceedings or other contingent liabilities against the Company (2018: Nil).

Commitments

The Company does not have any significant capital commitments as at 31 March 2019 (2018: Nil).

17. Comparative figures

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

18. Subsequent events

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

BALANCE SHEET as at March 31, 2019

USD

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
CURRENT ASSETS			
Financial assets	3		
Trade receivables	3.1	-	100,000
Cash and cash equivalents	3.2	15,471	24,700
Other financial assets	4	5,473	255,451
		20,944	**380,151**
Total Assets		**20,944**	**380,151**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	5	62,545	62,545
Other equity	6	(1,558,077)	(1,228,966)
Total Equity		**(1,495,532)**	**(1,166,421)**
LIABILITIES			
Current Liabilities			
Financial liabilities	7		
Borrowings	7.1	1,202,112	1,302,112
Trade payables		5,582	6,024
Other Financial liabilities	7.2	308,782	237,686
Other current liabilities	8	-	750
		1,516,476	**1,546,572**
Total equity and liabilities		**20,944**	**380,151**

See accompanying notes forming part of the financial statements

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

USD

	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from operations	9.1	-	104,050
Other income	9.2	519	-
Total revenue		**519**	**104,050**
EXPENSES			
Employee benefit expenses	10	-	53,415
Finance costs	11	74,242	44,940
Other expenses	12	255,388	290,826
		329,630	**389,181**
Loss before tax		**(329,111)**	**(285,131)**
Tax expense			
Current tax expense		-	-
Excess provision for earlier years			-
Net tax expense		-	-
Loss after tax		**(329,111)**	**(285,131)**
Earnings per share - Basic and Diluted (on $ 0.004 per share)	17	(0.02)	(0.02)

See accompanying notes forming part of the financial statements

CASH FLOW STATEMENT for the year ended March 31, 2019

USD

		Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax		**(329,111)**	**(285,131)**
Adjustments for :			
Interest expense		-	44,940
Operating Profit before working capital changes		**(329,111)**	**(240,191)**
Adjustments for :			
Decrease/(increase) in trade receivables		100,000	(99,250)
Decrease/(increase) in short-term loans and advances		249,978	267,545
(Decrease)/increase in trade payables		(442)	(5,458)
(Decrease)/increase in other current liabilities		(750)	(44,190)
(Decrease)/increase in other financial liabilities		71,096	93,409
(Decrease)/increase in short-term provisions		-	(3,072)
Cash generated from operations		**90,771**	**(31,207)**
Direct taxes/advance tax paid (net)		**-**	**-**
Net cash from operating activities	**(A)**	**90,771**	**(31,207)**
Net cash from operating activities after exceptional items		**90,771**	**(31,207)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short term borrowings		(100,000)	20,000
Net cash from financing activities	.. **(B)**	**(100,000)**	**20,000**
Net increase/(decrease) in cash and cash equivalents	.. **(A+B)**	(9,229)	(11,207)
Opening cash and cash equivalents		24700	35,908
Closing cash and cash equivalents		**15,471**	**24,700**
Cash and cash equivalents at the end of the year Comprises :			
Balances with banks			
In Current accounts		15,471	24,700

See accompanying notes forming part of the financial statements

Notes forming part of financial statements

1 COMPANY OVERVIEW

Halosys Technologies Inc. ("Halosys" or the "Company") is a Company primarily engaged in the business of providing enterprise mobile backend API platform and mobile information management solution. The Company is incorporated in US with its registered office at California,USA. Sonata Software Limited through its wholly owned subsidiary, Sonata Software North America Inc.has acquired 100% ownership of Halosys Inc on 11th September 2015.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

c. Use of judgement, estimates and assumptions

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

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

i) Income taxes

The Company's major tax jurisdictions is USA. 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) Impairment testing: Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) 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.

iv) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. 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. "

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional and presentation currency

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

b. Property, plant and equipment

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

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

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

c. Capital work-in-progress

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

d. Depreciation/ Amortisation

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

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

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

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

f. Financial Instruments

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

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

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

Non-derivative financial assets

i. Financial assets at amortised cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

Offsetting financial instruments

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

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

g. Employee Benefits

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

Short-term employee benefits -need to be updated

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

h. Provisions

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

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

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

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

i. Income Taxes

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

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

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

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

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

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

j. Leases

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

k. 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.

l. 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) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised when customer obtains control of the specified asset. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) Maintenance Contracts

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

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

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

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

n. 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."

o. 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."

p. Impairment

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

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The

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

ECL allowance (or reversal) is recognised as income / expense in the 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 acumulated depreciation) had no impairement 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")."

q. Earnings per share

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

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

r. Contingent Liabilities

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

s. Contingent Assets

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

t. 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."

u. New standards and interpretations not yet adopted

Ind AS 116 - 'Leases': The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases on March 30, 2019. This replaces Ind AS 17, related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements

Notes forming part of financial statements

3 : Trade receivables

USD

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered good	(0)	100,000
Considered doubtful	-	-
Total	**(0)**	**100,000**

4 : Cash and cash equivalents

(USD)

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In Current accounts	15,471	24,700
Total	**15,471**	**24,700**

5 : Other current assets

(USD)

	As at March 31, 2019	As at March 31, 2018
Other recoverables	5,388	255,366
Total	**5,473**	**255,451**

6. Equity share capital

USD

	As at March 31, 2019	As at March 31, 2018
Issued, Subscribed and paid-up		
$0.004 per value 15,754,000 equity shares each fully paid-up	**62,545**	**62,545**
(As at 31.03.2018 - $ 0.004 per value 15,754,000 shares each)		
Total	**62,545**	**62,545**

7. Other equity

USD

	As at March 31, 2019	As at March 31, 2018
Ind AS Reserve	-	-
Deficit in Statement of Profit and Loss		
Opening balance	(1,228,966)	(943,835)
Loss for the year	(329,111)	(285,131)
Closing balance	(1,558,077)	(1,228,966)
Total	**(1,558,077)**	**(1,228,966)**

7.1. Borrowings

USD

	As at March 31, 2019	As at March 31, 2018
Loans and advances from related parties		
Inter-corporate borrowings from Holding Company (Unsecured)	1,202,112	1,302,112
Total	**1,202,112**	**1,302,112**

7.2 : Other Financial liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Interest accrued on Inter-corporate borrowings	179,172	104,930
Reimbursable expenses payable to related party	129,610	132,756
	308,782	**237,686**

8 : Other current liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Advances from customers	-	750
Total	**-**	**750**

13: Contingent Liabilities

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

14: Commitments

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

(USD)

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

15 : Segment reporting

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

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

16 : Related party disclosure

i) **Details of related parties :**

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

ii) **Transactions with related parties :**

USD

Particulars	Holding Company	
	March 31,2019	March 31,2018
Interest on inter corporate deposits accrued		
Sonata Software North America Inc.	74,242	44,940
Inter corporate borrowings taken		
Sonata Software North America Inc.	1,302,112	20,000
Inter corporate borrowings repaid		
Sonata Software North America Inc.	100,000	-
Advances Receivable		
Sonata Software North America Inc.	-	100,000

USD

Particulars	Holding Company	
	March 31,2019	March 31,2018
Balances outstanding at the end of the year		
Trade Receivable		
Sonata Software North America Inc.	-	100,000
Inter corporate borrowings		
Sonata Software North America Inc.	1,202,112	1,302,112
Interest accrued on borrowings		
Sonata Software North America Inc.	179,172	104,930
Advances payable		
Sonata Software North America Inc.	129,610	128,114

17 : Earnings Per Share

USD

Particulars	March 31,2019	March 31,2018
Profit attributable to equity shareholders ($)	(329,111)	(285,131)
Weighted average number of Equity Shares of $0.004- each	15,754,000	15,754,000
Earnings Per Share - Basic and Diluted ($)	(0.02)	(0.02)

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

For and on behalf of the Board of Directors

Place : Mumbai

Date: 30th May, 2019

BALANCE SHEET as at March 31, 2019

USD

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	318,779	445,384
Intangible assets	4	10,259	163,623
Financial assets			
Other financial assets	5	16,306	16,306
Other non-current assets	6	40,798	30,389
Total non-current assets		**386,142**	**655,702**
CURRENT ASSETS			
Financial assets	7		
Trade receivables	7.1	671,332	740,127
Cash and cash equivalents	7.2	1,175,668	1,329,570
Other current assets	8	62,563	217,533
Total current assets		**1,909,564**	**2,287,230**
Total assets		**2,295,706**	**2,942,932**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	500,250	500,250
Other equity	10	1,107,942	(287,441)
Total Equity		**1,608,192**	**212,809**
LIABILITIES			
NON-CURRENT LIABILITIES			
Other non-current liabilities	11	248,066	337,113
Total non-current liabilities		**248,066**	**337,113**
CURRENT LIABILITIES			
Financial liabilities	12		
Borrowings	12.1	-	243,280
Trade payables		286,767	1,281,517
Other financial liabilities	12.2	80,588	773,105
Other current liabilities	13	55,191	39,651
Provisions	14	16,903	55,457
Total current liabilities		**439,449**	**2,393,010**
Total equity and liabilities		**2,295,706**	**2,942,932**

See accompanying notes forming to the financial statements

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

USD

	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	15	6,764,833	8,990,974
Total revenue		**6,764,833**	**8,990,974**
EXPENSES			
Purchases of stock-in-trade (traded goods)		737,686	723,641
Employee benefit expenses	16	1,797,188	3,450,436
Finance costs	17	1,080	55,404
Depreciation and amortization expense	3 (iii)	279,968	492,710
Other expenses	18	2,553,531	3,223,448
Total expenses		**5,369,452**	**7,945,639**
Profit before tax		**1,395,381**	**1,045,335**
Tax expense			
Current tax expense		-	-
Excess provision for tax relating to prior years		-	-
Deferred tax		-	-
Net tax expense		**-**	**-**
Profit after tax		**1,395,381**	**1,045,335**
Earnings per share - Basic and Diluted (on $ 1 per share)	24	2.79	2.09

See accompanying notes to financial statements

CASH FLOW STATEMENT for the year ended March 31, 2019

USD

		Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax		**1,395,381**	**1,045,335**
Adjustments for :			
Depreciation and amortization expense		279,968	492,710
Interst paid on Intercorporate borrowings		1,080	55,404
Operating Profit before working capital changes		**1,676,429**	**1,593,449**
Adjustments for :			
Decrease/(increase) in trade receivables		68,795	(165,005)
Decrease/(increase) in other Non current assets		(10,407)	(10,623)
Decrease/(increase) in other current assets		154,969	29,479
(Decrease)/increase in Other financial assets		-	-
(Decrease)/increase in trade payables		(994,750)	801,227
(Decrease)/increase in other long term liabilities		(89,047)	(84,773)
(Decrease)/increase in other current liabilities		15,540	24,562
(Decrease)/increase in short-term provisions		(38,554)	(31,333)
Cash generated from operations		**782,975**	**2,156,981**
Net cash from operating activities		**782,975**	**2,156,981**
Net cash from operating activities after exceptional items	**(A)**	**782,975**	**2,156,981**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		-	-
Net cash flow from investing activities	**(B)**	**-**	**-**

CASH FLOW STATEMENT for the year ended March 31, 2019

USD

		Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on Inter corporate borrowings		(693,597)	583,812
Inter-corporate borrowings from Holding Company		(243,280)	(1,726,720)
Net cash from financing activities	**(C)**	**(936,878)**	**(1,142,907)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(153,903)**	**1,014,074**
Opening cash and cash equivalents		**1,329,570**	**396,084**
Closing cash and cash equivalents		**1,175,667**	**1,410,158**
Cash and cash equivalents at the end of the year Comprises :			
Cash on hand		1,000	1,000
Cheques, drafts on hand		-	-
Balances with banks			
In Current accounts		1,174,668	1,328,570
In Deposit accounts		-	-
		1,175,668	**1,329,570**

See accompanying notes to the financial statements

Notes forming part of financial statements

1 COMPANY OVERVIEW

Interactive Business Information Systems, Inc. ("IBIS" or the "Company") is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customers in the United States of America. The Company is a public limited company incorporated in US with its registered office at Georgia, USA. Sonata Software Limited through its wholly owned subsidiary, Sonata Software North America Inc. has acquired 100% of Interactive Business Information Systems, Inc on 17th November, 2015.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

c. Use of judgement, estimates and assumptions

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

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

i) Income taxes

The Company's major tax jurisdictions is USA. 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) Impairment testing: Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) 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.

iv) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. 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. "

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional and presentation currency

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

b. Property, plant and equipment

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

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

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

c. "Capital work-in-progress

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

d. Depreciation/ Amortisation

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

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

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

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

f. Financial Instruments

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

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

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

Non-derivative financial assets

i. Financial assets at amortised cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

Offsetting financial instruments

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

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

g. Employee Benefits

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

Short-term employee benefits -need to be updated

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

h. Provisions

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

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

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

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

i. Income Taxes

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

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

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

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

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

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

j. Leases

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

k. 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.

l. **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) **Hardware/software products and licenses**

Revenues from sale of product and licenses are recognised when customer obtains control of the specified asset. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) **Maintenance Contracts**

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

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

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

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

n. **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."

o. **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."

p. **Impairment**

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

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

ECL allowance (or reversal) is recognised as income / expense in the 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 acumulated depreciation) had no impairement 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")."

q. Earnings per share

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

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

r. Contingent Liabilities

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

s. Contingent Assets

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

t. 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."

u. New standards and interpretations not yet adopted

Ind AS 116 - 'Leases': The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases on March 30, 2019. This replaces Ind AS 17, related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. "

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements

Notes forming part of financial statements

3. Property, Plant and Equipment

USD

Particulars	Tangible Assets				
	Office Equipments	Leasehold Improvements	Furniture and fixtures	Plant and equipments	Total "
Deemed cost					
As at April 1, 2017	**40,912**	**565,911**	**75,430**	**114,887**	**797,139**
Additions	-	-	-	-	-
Disposals/Write off	-	-	-	-	-
As at March 31, 2018	**40,912**	**565,911**	**75,430**	**114,887**	**797,139**
As at April 1, 2018	**40,912**	**565,911**	**75,430**	**114,887**	**797,139**
Additions	-	-	-	-	-
Disposals/Write off	-	-	-	-	-
As at March 31, 2019	**40,912**	**565,911**	**75,430**	**114,887**	**797,139**
Depreciation/ Amortization					
As at April 1, 2017	**22,849**	**90,155**	**24,722**	**52,563**	**190,290**
Charge for the Year	12,674	88,660	19,275	40,856	161,465
As at March 31, 2018	**35,523**	**178,815**	**43,997**	**93,419**	**351,755**
As at April 1, 2018	**35,523**	**178,815**	**43,997**	**93,419**	**351,755**
Charge for the Year	2,444	91,567	16,872	15,722	126,605
As at March 31, 2019	**37,967**	**270,382**	**60,869**	**109,141**	**478,360**
Net Block					
As at March 31, 2018	**5,388**	**387,096**	**31,432**	**21,467**	**445,384**
As at March 31, 2019	**2,945**	**295,529**	**14,560**	**5,745**	**318,779**

4 : Intangible assets

Particulars	Intangible Assets		
Deemed cost			
As at April 1, 2017	**5,089**	**694,343**	**699,432**
Additions	-	-	-
Disposals/Write off	-	-	-
As at March 31, 2018	**5,089**	**694,343**	**699,432**
As at April 1, 2018	**5,089**	**694,343**	**699,432**
Additions	-	-	-
Disposals/Write off	-	-	-
As at March 31, 2019	**5,089**	**694,343**	**699,432**
Depreciation/ Amortization			
As at April 1, 2017	3,672	200,893	204,565
Charge for the Year	**568**	**330,676**	**331,244**
Disposals/Write off	-	-	-
As at March 31, 2018	**4,241**	**531,569**	**535,809**
As at April 1, 2018	4,241	531,569	535,809
Charge for the Year	**432**	**152,932**	**153,364**
Disposals/Write off	-	-	-
As at March 31, 2019	**4,673**	**684,501**	**689,173**
Net Block			
As at March 31, 2018	**849**	**162,774**	**163,623**
As at March 31, 2019	**417**	**9,842**	**10,259**

5. Other financial assets

(USD)

	As at March 31, 2019	As at March 31, 2018
Security deposits	16,306	16,306
Total	**16,306**	**16,306**

6 : Other non-current assets

(USD)

	As at March 31, 2019	As at March 31, 2018
Advance Tax	40,798	30,389
	40,798	**30,389**

7 : Trade receivables

USD

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered good	671,332	740,127
Considered doubtful	37,718	27,793
	709,050	767,920
Less : Provision for doubtful trade receivables	37,718	27,793
Total	**671,332**	**740,127**

7.2 : Cash and cash equivalents

(USD)

	As at March 31, 2019	As at March 31, 2018
Cash on hand	1,000	1,000
Balances with banks		
In Current accounts	1,174,668	1,328,570
Total	**1,175,668**	**1,329,570**

8 : Other current assets

(USD)

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	39,960	97,533
Other recoverables	20,819	120,000
Loans and advances to employees	1,785	-
Total	**62,563**	**217,533**

9. Equity share capital

USD

	As at March 31, 2019	As at March 31, 2018
Authorized		
Common Stock of 500,250 shares, of $1 each		
(As at 31.03.2018, 500,250 shares of $1 each)	500,250	500,250
Issued, Subscribed and paid-up		
500,250 shares of $1 each fully paid-up	**500,250**	**500,250**
(As at 31.03.2018, 500,250 shares of $1 each fully paid up)		
Total	**500,250**	**500,250**

10. Other equity

USD

	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Opening balance	(287,439)	(1,332,775)
Profit for the year	1,395,381	1,045,335
Closing balance	**1,107,942**	**(287,440)**

11 : Other non-current liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Rent equalization	248,066	337,113
Total	**248,066**	**337,113**

12.1 : Borrowings

USD

	As at March 31, 2019	As at March 31, 2018
Loans and advances from related parties		
Inter-corporate borrowings from holding Company - Unsecured	-	243,280
Total	**-**	**243,280**

12.2 : Other financial liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Interest accrued on Inter-corporate borrowings	-	575,516
Reimbursable expenses to related party	-	117,001
Provision for rent equalization	80,588	80,588
	80,588	**773,105**

13 : Other current liabilities

USD

	As at March 31, 2019	As at March 31, 2018
Income received in advance (Unearned revenue)	51,878	-
Statutory remittances	3,313	39,651
Total	**55,191**	**39,651**

14 : Provisions

USD

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for compensated absences	16,903	55,457
Total	**16,903**	**55,457**

15 : Revenue from operations

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from software services	6,764,833	8,990,974
Total	**6,764,833**	**8,990,974**

16. Employee benefit expense

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages, bonus and allowances	1,759,601	3,398,043
Contribution to 401K fund	37,587	52,393
Total	**1,797,188**	**3,450,436**

17. Finance costs

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
Interest Expense - Others	1,080	55,404
Total	**1,080**	**55,404**

18. Other expenses

USD

	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	49,978	48,928
Rent	196,831	193,233
Insurance	202,914	205,357
Rates and taxes	10,106	42,355
Communication cost	48,325	63,366
Facility maintenance	27,579	28,195
Travelling and conveyance expenses	37,115	186,710
Professional and technical fees	8,548	845,942
Legal fees	-	4,820
Software Project Fee	1,866,650	1,273,792
Bad debts	9,925	153,199
Miscellaneous expenses	95,561	177,551
Total	**2,553,531**	**3,223,448**

19 Contingent Liabilities

There is no contingent liabilities as at the year end.

21. Commitments

USD

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts reamining to be executed on capital account and not provided for	-	-

21 : Segment reporting

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

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

22 : Related party disclosure

i) Details of related parties :

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

ii) Transactions with related parties :

USD

Particulars	Holding Company	
	March 31, 2019	March 31, 2018
Rendering of services/Sale of products		
Sonata Software North America Inc.	471,755	258,304
Sonata Software Limited	60,907	51,428
Software project fees		
Sonata Software Limited	1,687,100	997,936
Interporate borrowings repaid		
Sonata Software North America Inc.	293,280	1,782,313
Interest on inter corporate borrowings		
Sonata Software North America Inc.	1,080	55,404

USD

Particulars	Holding Company	
	March 31, 2019	March 31, 2018
Balances outstanding at the end of the year		
Trade payables/ Other Current liabilities		
Sonata Software Ltd	63,592	560,044
Interest accrued on borrowings		
Sonata Software North America Inc.	-	117,002
Trade Receivable		
Sonata Software North America Inc.	41,556	-
Sonata Europe Ltd	14,047	-
Advances receivables		
Sonata Software North America Inc.	-	157,630
Sonata Software Ltd	-	15,472
Inter corporate borrowings		
Sonata Software North America Inc.	-	187,687

23 : Details of leasing arrangements

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

USD

	March 31, 2019	March 31, 2018
ii. The total of future minimum lease payments for non-cancellable operating leases are as below :	222,200	217,843
Not later than one year	535,770	757,970
Later than one year and not later than 5 years		
iii. The lease payments recognised in the statement of Profit and Loss are as under :	196,831	193,233
Included in rent	196,831	193,233

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

24 : Earnings Per Share

USD

Particulars	March 31, 2019	March 31, 2018
Profit attributable to equity shareholders ($)	1,395,381	1,045,335
Weighted average number of Equity Shares of $1- each	500,250	500,250
Earnings Per Share - Basic and Diluted ($)	2.79	2.09

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

For and on behalf of the Board of Directors

Place : Mumbai

Date: 30th May, 2019

BALANCE SHEET as at March 31, 2019

AUD

	Note No.	As at March 31, 2019
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	3	10,925
Financial assets		
Other financial assets	4	5,940
Total non-current assets		**16,865**
CURRENT ASSETS		
Financial assets		
Trade receivables	5	1,181,074
Cash and cash equivalents	6	126,235
Other current assets	7	75,004
Total current assets		**1,382,313**
TOTAL		**1,399,178**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	8	2
(b) Other equity	9	(380,921)
Total Equity		**(380,919)**
LIABILITIES		
CURRENT LIABILITIES		
Financial liabilities		
Borrowings	10	500,000
Trade payables		373,582
Other financial liabilities	11	659,969
Provisions	12	246,547
		1,780,097
TOTAL		**1,399,178**

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

AUD

	Note No.	For the Quarter ended 31.03.2019	For the Period 21.12.2018 to 31.03.2019
REVENUE			
Revenue from operations	12.1	1,532,031	1,722,887
Other income	12.2	266,194	267,563
Total revenue		**1,798,225**	**1,990,450**
EXPENSES			
Purchase of stock-in-trade (traded goods)		485,798	518,562
Employee benefit expenses	13	646,577	665,373
Finance costs	14	2,309	2,309
Depreciation and amortization expense		2,875	3,920
Other expenses	15	315,570	323,124
Total expenses		**1,453,130**	**1,513,288**
Profit before tax		**345,095**	**477,162**
Current tax expense		-	-
Profit after tax		**345,095**	**477,162**

Notes forming part of financial statements

1 COMPANY OVERVIEW

Scalable Data Systems Limited. ("Company") is a Company primarily engaged in the business of providing Information Technology Solutions, software development services and re-selling products of Microsoft, IBM andOracle etc. to its customers in India and the Asia Pacific region. Specialised in Microsoft Dynamics 365, the fastest growing ERP system in the world, and its predecessors, since 1999. The company expertise in Microsoft systems, coupled with our natively built solutions, provides our global customers with gains in efficiency, profitability and scalability, increasing returns on investment and delivering best business practice.

The Company is incorporated in Australia with its registered office at Brisbane. Sonata Software Limited has acquired 100% ownership on December 21, 2018."

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

c. Use of judgement, estimates and assumptions

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

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

i) Income taxes

The Company's major tax jurisdictions is Australia. 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) Impairment testing: Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) 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.

iv) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. 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. "

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional and presentation currency

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

b. Property, plant and equipment

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

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

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

c. Capital work-in-progress

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

d. Depreciation/ Amortisation

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

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

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

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

f. Financial Instruments

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

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

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

Non-derivative financial assets

i. Financial assets at amortised cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

Offsetting financial instruments

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

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

g. **Employee Benefits**

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

Short-term employee benefits -need to be updated

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

h. **Provisions**

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

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

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

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

i. **Income Taxes**

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

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

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

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

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

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

j. **Leases**

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

k. 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.

l. 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) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised when customer obtains control of the specified asset. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) Maintenance Contracts

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

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

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

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

n. 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."

o. 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."

p. Impairment

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

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

ECL allowance (or reversal) is recognised as income / expense in the 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 acumulated depreciation) had no impairement 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")."

q. Earnings per share

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

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

r. Contingent Liabilities

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

s. Contingent Assets

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

t. 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."

u. New standards and interpretations not yet adopted

Ind AS 116 - 'Leases': The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases on March 30, 2019. This replaces Ind AS 17, related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. "

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements

Notes forming part of financial statements

2. Property, Plant and Equipment

AUD

Particulars	Tangible Assets			
	Office Equipments	Furniture and Fixtures	Plant and Equipments	Total Tangible Assets
As at April 1, 2018	**123,051**	**214,003**	**214,867**	**551,921**
Additions				-
Disposals/Write off	-	-	-	-
As at March 31, 2019	123,051	214,003	214,867	551,921
As at April 1, 2018	**122,453**	**47,277**	**193,363**	**363,093**
Charge for the Year				-
As at March 31, 2019	**122,453**	**47,277**	**193,363**	**363,093**
Revalution Reserve				(177,903)
As at March 31, 2019	598	166,726	21,504	10,925

3 : Other non-current assets

AUD

	As at March 31, 2019
Unsecured, considered good	
Security deposits	5,940
Total	**5,940**

5 : Trade receivables

AUD

	As at March 31, 2019
Unsecured	
Considered good	1,181,074
Considered doubtful	-
	1,181,074
Less : Provision for doubtful trade receivables	-
Less : Allowances for credit losses	-
Total	**1,181,074**

6 : Cash and cash equivalents

AUD

	As at March 31, 2019
Cash on hand	1,268
Balances with banks	
In Current accounts	124,966
Total	**126,235**

7 : Other current assets

AUD

	As at March 31, 2019
Prepaid expenses	63,493
Other recoverables	11,511
Total	**75,004**

8 : (a) Equity Share capital

AUD

	As at March 31, 2019
Authorized	
Issued, Subscribed and paid-up	**(2)**
Total	**(2)**

8 : (b) Other equity

AUD

	As at March 31, 2019
Surplus in Statement of Profit and Loss	
Opening balance	(858,084)
Profit/(loss) for the year	477,162
Closing balance	(380,921)
Total	**(380,921)**

9 : Borrowings

AUD

	As at March 31, 2019
Loans and advances from related parties	
Inter-corporate borrowings from holding Company	500,000
Total	**500,000**

10: Other current liabilities

AUD

	As at March 31, 2019
Income received in advance (Unearned revenue)	204,970
Interest accrued on Inter-corporate deposits	2,309
Others	452,690
Total	**659,969**

11 : Provisions

AUD

	As at March 31, 2019
Provision for employee benefits	
Provision for compensated absences	246,547
Total	**246,547**

12.1 : Revenue from operations

AUD

	For the quarter ended 31.03.2019	For the period 21.12.2018 to 31.03.2019
Revenue from software services	1,186,872	1,333,991
Revenue from hardware/software product and licenses	345,159	388,896
Total	**1,532,031**	**1,722,887**

12.2 : Other income

AUD

	For the quarter ended 31.03.2019	For the period 21.12.2018 to 31.03.2019
Interest income	252	393
Net gain on fixed assets sold	6,592	6,592
Miscellaneous income	259,349	260,578
Total	**266,194**	**267,563**

13 : Employee benefit expenses

AUD

	For the quarter ended 31.03.2019	For the period 21.12.2018 to 31.03.2019
Salaries, wages, bonus and allowances	583,650	595,664
Contributions to provident and other funds	59,780	64,348
Staff welfare expenses	3,147	5,361
Total	**646,577**	**665,373**

14:Finance costs

AUD

	For the quarter ended 31.03.2019	For the period 21.12.2018 to 31.03.2019
Interest expense		
Borrowings	2,309	2,309
	2,309	**2,309**

15 : Other expenses

AUD

	For the quarter ended 31.03.2019	For the period 21.12.2018 to 31.03.2019
Rent	51,042	52,696
Repairs and maintenance - Machinery	11,079	11,079
Insurance	6,275	6,382
Rates and taxes	1,251	1,251
Communication cost	17,205	17,449
Facility maintenance	9,355	10,599
Travelling and conveyance expenses	54,138	55,385
Sales commission	5,419	5,419
Professional and technical fees	124,476	124,476
Legal fees	2,000	2,000
Net loss on foreign currency transaction and translation	3,617	3,617
Miscellaneous expenses	29,715	32,772
Total	**315,570**	**323,124**

17: Contingent Liabilities

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

14: Commitments

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

AUD

	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-

15 : Segment reporting

The Company is primarily engaged in the business of providing Information Technology Solutions, software development services and re-selling products of Microsoft, IBM andOracle etc. to its customers in India and the Asia Pacific region. Specialised in Microsoft Dynamics 365, the fastest growing ERP system in the world, and its predecessors, since 1999. The company expertise in Microsoft systems, coupled with our natively built solutions, provides our global customers with gains in efficiency, profitability and scalability, increasing returns on investment and delivering best business practice.

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

16 : Related party disclosure

i) **Details of related parties :**

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

ii) **Transactions with related parties :**

AUD

Particulars	Holding Company March 31,2019
Interest on inter corporate deposits	
Sonata Software Limited	2,309
Inter corporate borrowings taken	
Sonata Software Limited	900,000
Inter corporate borrowings Paid	
Sonata Software Limited	400,000

AUD

Particulars	Holding Company March 31,2019
Balances outstanding at the end of the year	
Inter corporate borrowings	
Sonata Software Limited	500,000
Interest accrued on borrowings	
Sonata Software Limited	2,309

21 : Earnings Per Share

AUD

Particulars	March 31,2019
Profit attributable to equity shareholders ($)	345,095
Weighted average number of Equity Shares of $1/- each	2
Earnings Per Share - Basic and Diluted ($)	172,548

18. 22: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifiction / disclosure.

BALANCE SHEET as at March 31, 2019

USD

	Note No.	As at March 31, 2019
ASSETS		
NON-CURRENT ASSETS		
CURRENT ASSETS		
Financial assets		
Trade receivables	3	621,482
Cash and cash equivalents	4	166,661
Other current assets	5	255,354
Total current assets		**1,043,498**
TOTAL		**1,043,498**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	6	2
(b) Other equity	7	(996,605)
Total Equity		**(996,603)**
LIABILITIES		
CURRENT LIABILITIES		
Financial liabilities		
Borrowings	8	895,000
Trade payables		504,600
Other financial liabilities	9	640,502
		2,040,101
TOTAL		**1,043,498**

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

USD

	Note No.	For the Quarter ended 31.03.2019
REVENUE		
Revenue from operations	10.1	747,205
Other income	10.2	23,928
Total revenue		**771,132**
EXPENSES		
Employee benefit expenses	11	632,012
Finance costs	12	5,557
Other expenses	13	254,363
Total expenses		891,931
Profit before tax		**(120,799)**
Current tax expense		-
Profit after tax		(120,799)

Notes forming part of financial statements

1 COMPANY OVERVIEW

"Sopris Systems LLC. ("Sopris" or the "Company") is a Company primarily engaged in the business of providing specializes in Enterprise Resource Planning (ERP); Customer Relationship Management (CRM), Project Automation (PSA) and Field Service Automation (FSA) solutions. Our clients depend on successfully managing field services, delivering projects profitably and creating the best possible customer experience. They depend on Sopris to provide technology and business process expertise to make that a reality.

The Company is incorporated in US with its registered office at COLORADO,USA. Sonata Software Limited through its wholly owned subsidiary, Sonata Software North America Inc.has acquired 100% ownership on February 15, 2019."

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

c. Use of judgement, estimates and assumptions

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

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

i) Income taxes

The Company's major tax jurisdictions is USA. 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) Impairment testing: Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) **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.

iv) **Other estimates**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. 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. "

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional and presentation currency

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

b. Property, plant and equipment

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

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

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

c. Capital work-in-progress

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

d. Depreciation/ Amortisation

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

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

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

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

f. Financial Instruments

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

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

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

Non-derivative financial assets

i. Financial assets at amortised cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

Offsetting financial instruments

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

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

g. Employee Benefits

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

Short-term employee benefits -need to be updated

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

h. Provisions

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

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

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

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

i. Income Taxes

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

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

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

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

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

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

j. Leases

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

k. 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.

l. 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) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised when customer obtains control of the specified asset. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

d) Maintenance Contracts

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

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

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

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

n. 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."

o. 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."

p. Impairment

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

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

ECL allowance (or reversal) is recognised as income / expense in the 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 acumulated depreciation) had no impairement 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")."

q. Earnings per share

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

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

r. Contingent Liabilities

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

s. Contingent Assets

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

t. 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."

u. New standards and interpretations not yet adopted

Ind AS 116 - 'Leases': The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases on March 30, 2019. This replaces Ind AS 17, related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17.

Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. "

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements

Notes forming part of financial statements

3 : Trade receivables

USD

	As at March 31, 2019
Unsecured	
Considered good	956,088
Considered doubtful	(334,606)
	621,482
Less : Allowances for credit losses	-
Total	**621,482**

4 : Cash and cash equivalents

USD

	As at March 31, 2019
Balances with banks	
In Current accounts	166,661
Total	**166,661**

5 : Other current assets

USD

	As at March 31, 2019
Other recoverables	255,354
Total	**255,354**

6 : (b) Other equity

USD

	As at March 31, 2019
Surplus in Statement of Profit and Loss	
Opening balance	(875,804)
Profit/(loss) for the year	(120,799)
Closing balance	(996,603)
Total	**(996,603)**

8 : Borrowings

USD

	As at March 31, 2019
Loans and advances from related parties	
Inter-corporate borrowings from holding Company - Unsecured	895,000
Total	**895,000**

9: Other current liabilities

USD

	As at March 31, 2019
Interest accrued on Inter-corporate deposits	5,557
Statutory remittances	79,160
Advances from customers	3,825
Others	551,960
Total	**640,502**

9.1 : Revenue from operations

USD

	For the period 15.02.2019 to 31.03.2019
Revenue from software services	735,471
Other operating revenues	11,733
Total	**747,205**

9.2 : Other income

USD

	For the period 15.02.2019 to 31.03.2019
Miscellaneous income	23,928
Total	**23,928**

10 : Employee benefit expenses

USD

	For the period 15.02.2019 to 31.03.2019
Salaries, wages, bonus and allowances	576,374
Staff welfare expenses	55,638
Total	**632,012**

11:Finance costs

USD

	For the period 15.02.2019 to 31.03.2019
Interest expense	
Borrowings	5,557
	5,557

12 : Other expenses

USD

	For the period 15.02.2019 to 31.03.2019
Rates and taxes	9,825
Communication cost	5,324
Facility maintenance	3,845
Travelling and conveyance expenses	14,615
Software Project fees	41,640
Professional and technical fees	36,794
Insourcing professional fees	93,593
Miscellaneous expenses	48,727
Total	**254,363**

13: Contingent Liabilities

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

14: Commitments

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

USD

	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-

15 : Segment reporting

The Company is engaged in the business of IT Solution specializes in Enterprise Resource Planning (ERP); Customer Relationship Management (CRM), Project Automation (PSA) and Field Service Automation (FSA) solutions. Our clients depend on successfully managing field services, delivering projects profitably and creating the best possible customer experience. They depend on Sopris to provide technology and business process expertise to make that a reality.

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

16 : Related party disclosure

i) **Details of related parties :**

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

ii) **Transactions with related parties :**

USD

Particulars	Holding Company March 31,2019
Deputation cost / Service charges / Software project fees	
Sonata Software North America Inc.	41,640
Interest on inter corporate deposits	
Sonata Software North America Inc.	5,556
Inter corporate borrowings taken	
Sonata Software North America Inc.	1,480,000
Inter corporate borrowings Paid	
Sonata Software North America Inc.	585,000

AUD

Particulars	Holding Company March 31,2019
Balances outstanding at the end of the year	
Advances payable	
Sonata Software North America Inc.	85,920
Inter corporate borrowings	
Sonata Software North America Inc.	895,000
Interest accrued on borrowings	
Sonata Software North America Inc.	5,556

17 : Earnings Per Share

USD

Particulars	March 31,2019
Profit attributable to equity shareholders ($)	345,095
Weighted average number of Equity Shares of $1/- each	2
Earnings Per Share - Basic and Diluted ($)	172,548

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