

SONATA SOFTWARE FZ LLC

FINANCIAL STATEMENTS

FOR THE 183 DAY PERIOD ENDED
30 SEPTEMBER 2011

Russell Bedford (Dubai) Limited
Level 03
Gate Village 10
Dubai International Financial Centre
PO Box 506789
Dubai, United Arab Emirates

SONATA SOFTWARE FZ LLC

FINANCIAL STATEMENTS

FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

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SONATA SOFTWARE FZ LLC
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

Company registration number	17270
The board of directors	Ramaswamy Byanna (resigned 18 August 2011) Srikar Reddy Palem Sanjay Viswanathan (nominated 18 August 2011)
Registered office	Office # 507 Al Thuraya Tower 01 P.O. Box 502818 Dubai Internet City Dubai, United Arab Emirates
Bankers	Emirates Bank International Jumeirah Branch Al Wasl Road P.O. Box 11909 Dubai, United Arab Emirates Standard Chartered Bank Mezzanine Floor Al Fardan Building Mankhool Road Bur Dubai P.O. Box 999 Dubai, United Arab Emirates
Auditors	Russell Bedford (Dubai) Limited Level 03 Gate Village 10 Dubai International Financial Centre PO Box 506789 Dubai, United Arab Emirates

SONATA SOFTWARE FZ LLC
DIRECTORS' REPORT
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

The directors present their report and financial statements for the 183 day period ended 30 September 2011.

The company was incorporated on 11 January 2009.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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.

RESULTS AND DIVIDENDS

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

DIRECTORS AND THEIR INTERESTS

As at 30 September 2011, the director of the company is Mr. Srikar Reddy Palem while Mr. Sanjay Viswanathan has been nominated as director in place of Mr. Ramaswamy Byanna. None of them hold any shares in the Company.

Approved by the board on 10th October 2011 and signed on its behalf by



Director

SONATA SOFTWARE FZ LLC
INDEPENDENT AUDITORS' REPORT
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

Report on the Financial Statements

We have audited the accompanying financial statements of Sonata Software FZ LLC ("the company"), which comprise the statement of financial position as at 30 September 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 183 day period ended 30 September 2011, and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the company's shareholders as a body. Our audit work has been undertaken so that we might state to the company's shareholders those matters that we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report or for the opinion formed.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 30 September 2011 and the results of its operations and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Russell Bedford (Dubai) Limited
Dubai, United Arab Emirates



Date: 12 OCT 2011

SONATA SOFTWARE FZ LLC
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2011

	Notes	30 September 2011 USD	31 March 2011 USD
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	4	5,435	7,117
Total non-current assets		5,435	7,117
CURRENT ASSETS			
Trade and other receivables	5	905,458	1,428,489
Amounts due from related parties		30,750	-
Work in progress	6	516,012	570,827
Cash and cash equivalents	7	90,276	175,987
Total current assets		1,542,496	2,175,303
Total assets		1,547,931	2,182,420
LIABILITIES			
CURRENT LIABILITIES			
Amounts due to related parties	9	1,004,738	1,671,008
Trade and other payables	8	11,343	49,944
Total liabilities		1,016,081	1,720,952
EQUITY			
Share capital	10	136,129	136,129
Retained earnings		395,721	325,339
Total equity		531,850	461,468
Total equity and liabilities		1,547,931	2,182,420

The Independent Auditor's Report is set out on page 3.

These financial statements were approved by the directors and authorised for issue on 10th October 2011 and are signed on their behalf by

Director

[Handwritten signature]

The notes on pages 8 to 14 form part of these financial statements

SONATA SOFTWARE FZ LLC
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

	Note	91 day period ended 30 Sept 2011 USD	91 day period ended 30 Sept 2010 USD	YTD 30 September 2011 USD	YTD 30 September 2010 USD
Revenue		808,704	1,002,009	1,596,184	1,693,579
Cost of services		(649,776)	(853,779)	(1,293,908)	(1,383,370)
GROSS PROFIT		<u>158,928</u>	<u>148,230</u>	<u>302,276</u>	<u>310,209</u>
General and administrative expenses		(119,467)	(96,398)	(231,894)	(227,404)
NET PROFIT FOR THE PERIOD	3	<u>39,461</u>	<u>51,832</u>	<u>70,382</u>	<u>82,805</u>

The Independent Auditors' Report is set out on page 3.

The notes on pages 8 to 14 form part of these financial statements

SONATA SOFTWARE FZ LLC
STATEMENT OF CHANGES IN EQUITY
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

	Issued share capital USD	Retained earnings USD	Total USD
Balance at 1 April 2010	136,129	146,580	282,709
Profit for the year	-	178,759	178,759
Balance at 31 March 2011	<u>136,129</u>	<u>325,339</u>	<u>461,468</u>
Balance at 1 April 2011	136,129	325,339	461,468
Profit for the period	-	70,382	70,382
Balance at 30 September 2011	<u>136,129</u>	<u>395,721</u>	<u>531,850</u>

The notes on pages 8 to 14 form part of these financial statements

SONATA SOFTWARE FZ LLC
 STATEMENT OF CASH FLOW
 FOR THE 183 DAY PERIOD ENDED 30 2011

	183 day period ended 30 September 2011 USD	183 day period ended 30 September 2010 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	70,382	82,805
Adjustments for:		
Depreciation and amortisation	1,682	1,630
	<u>72,064</u>	<u>84,435</u>
CHANGES IN WORKING CAPITAL		
Change in trade and other receivables	523,031	60,462
Change in work in progress	54,815	(333,230)
Change in amounts due from related parties	(30,750)	-
Change in amounts due to related parties	(666,270)	135,340
Change in trade and other payables	(38,601)	15,885
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(85,711)</u>	<u>(37,108)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets	-	(1,225)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(85,711)</u>	<u>(38,333)</u>
CASH AND CASH EQUIVALENTS		
At the beginning of the period	175,987	136,790
At the end of the period	<u>90,276</u>	<u>98,457</u>

The Independent Auditor's Report is set out on page 3.

The notes on pages 8 to 14 form part of these financial statements

SONATA SOFTWARE FZ LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Sonata Software FZ LLC ("the company") is registered in Dubai Internet City ("DIC") in the Emirate of Dubai, U.A.E and the company is wholly owned by Sonata Software Ltd. 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 # 507, Al Thuraya Tower 01, Dubai Internet City, P.O. Box 502818, Dubai, United Arab Emirates. The company was incorporated on the 11 January 2009.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of measurement

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

Functional and presentation currency

The financial statements are presented in United States Dollars ("USD"), which is the company's functional currency.

Use of estimates and judgements

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

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

Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

IASB Standards and Interpretations issued but not adopted

A number of new standards, amendments to standards and interpretations are effective for accounting periods starting after 30 September 2011, and have not been adopted early in preparing these financial statements.

SONATA SOFTWARE FZ LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IASB Standards and Interpretations issued but not adopted *(continued)*

IAS 24	Related party disclosures (applies to annual periods beginning on or after 1 January 2011)
IAS 27	Separate financial statements (applicable to annual reporting periods beginning on or after 1 January 2013)
IAS 28	Investments in associates and joint ventures (applicable to annual reporting periods on or after 1 January 2013)
IFRS 9	Financial instruments (applies to annual periods beginning on or after 1 January 2013)
IFRS 10	Consolidated financial statements (applicable to annual reporting periods beginning on or after 1 January 2013)
IFRS 11	Joint arrangements (applicable to annual reporting periods beginning on or after 1 January 2013)
IFRS 12	Disclosure of interests in other entities (applicable to annual reporting periods beginning on or after 1 January 2013)
IFRS 13	Fair value measurement (applicable to annual reporting periods beginning on or after 1 January 2013)
IFRIC 13	Amendment on fair value award credits (applicable to annual reporting periods beginning on or after 1 January 2011)
IFRIC 14	Amendment on voluntary prepaid contribution (applicable to annual reporting periods beginning on or after 1 January 2011)
IFRS 7	Amendment on financial instruments: disclosure (applicable to annual reporting periods beginning on or after 1 July 2011)
IAS 12	Amendment on deferred tax: recovery of underlying assets (applicable to annual reporting periods beginning on or after 1 January 2012)
IAS 19	Amendment on employee benefits (applicable to annual reporting periods on or after 1 January 2013)
IAS 1	Amendment on presentation of items of other comprehensive income (applicable to annual reporting periods on or after 1 July 2012)

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

Property and equipment

All property and equipment is stated at historical cost less depreciation, amortisation and provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

SONATA SOFTWARE FZ LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Property and equipment (*continued*)

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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.

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

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Share capital

Ordinary shares are classified as equity.

SONATA SOFTWARE FZ LLC
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Trade and other payables

Trade and other payables are recognised initially at fair value.

Financial liabilities

Financial liabilities are recognised initially at fair value.

Provisions

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

Revenue recognition

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

Costs and expenses

Costs and expenses are recognised when incurred.

3. NET PROFIT

Net profit is stated after charging:

	91 day period ended 30 Sept 2011 USD	91 day period ended 30 Sept 2010 USD	183 day period ended 30 Sept 2011 USD	183 day period ended 30 Sept 2010 USD
Auditor's remuneration	3,500	3,500	7,000	7,000
Depreciation	845	845	1,682	1,630
Staff costs	266,654	271,633	509,631	460,663
Office rent	11,064	11,712	22,128	23,424

SONATA SOFTWARE FZ LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at 30 September 2011 consisted of:

	Leasehold improvements USD	Office equipment USD	Computers and peripherals USD	Furniture and fixtures USD	Total USD
Cost					
At 1 April 2010	2,852	451	6,261	5,554	15,118
Additions during the year	-	-	1,224	-	1,224
At 31 March 2011	2,852	451	7,485	5,554	16,342
At 1 April 2011	2,852	451	7,485	5,554	16,342
Additions during the period	-	-	-	-	-
At 30 September 2011	2,852	451	7,485	5,554	16,342
Depreciation					
At 1 April 2010	2,852	74	2,054	943	5,923
Charge during the year	-	66	2,444	792	3,302
At 31 March 2011	2,852	140	4,498	1,735	9,225
At 1 April 2011	2,852	140	4,498	1,735	9,225
Charge during the period	-	33	1,252	397	1,682
At 30 September 2011	2,852	173	5,750	2,132	10,907
Net book value					
At 30 September 2011	-	278	1,735	3,422	5,435
At 31 March 2011	-	311	2,987	3,819	7,117

5. TRADE AND OTHER RECEIVABLES

	30 Sept 2011 USD	31 March 2011 USD
Trade receivables	847,550	1,374,128
Prepayments	36,543	26,364
Staff advance	3,176	2,237
Other receivables	18,189	25,760
	<u>905,458</u>	<u>1,428,489</u>

6. WORK IN PROGRESS

	30 Sept 2011 USD	31 March 2011 USD
Work in progress	<u>516,012</u>	<u>570,827</u>

7. CASH AND CASH EQUIVALENTS

This includes cash balances held in United States Dollars and United Arab Emirates Dirhams current accounts with commercial banks in the United Arab Emirates.

SONATA SOFTWARE FZ LLC
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

8. TRADE AND OTHER PAYABLES: Amounts falling due within one year

	30 Sept 2011 USD	31 March 2011 USD
Accrued expenses	8,000	38,938
Accrued salaries	3,343	11,006
	<u>11,343</u>	<u>49,944</u>

9. RELATED PARTY TRANSACTIONS

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

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

	30 Sept 2011 USD	31 March 2011 USD
Operational charges to a related party	911,890	2,529,498
Funds transferred to related parties	30,750	-

Amounts due from related parties

	30 Sept 2011 USD	31 March 2011 USD
Sonata Software (Qatar)	2,328	-
Mohamed Nasser Abdullah Al Misnad	28,422	-
	<u>30,750</u>	<u>1,671,008</u>

Amounts due to related parties

	30 Sept 2011 USD	31 March 2011 USD
Sonata Software Limited	952,079	1,618,349
Sonata Software Limited – US Branch	52,659	52,659
	<u>1,004,738</u>	<u>1,671,008</u>

SONATA SOFTWARE FZ LLC
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 183 DAY PERIOD ENDED 30 SEPTEMBER 2011

10. SHARE CAPITAL

The details of share capital at 30 September 2011 are shown below:

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

11. FINANCIAL INSTRUMENTS

	30 September 2011		31 March 2011	
	Carrying amount USD	Fair value USD	Carrying amount USD	Fair value USD
Financial assets				
Cash and cash equivalents	90,276	90,276	175,987	175,987
Amounts due from related parties	30,750	30,750	-	-
Trade and other receivables	905,458	905,458	1,426,252	1,426,252
Financial liabilities				
Trade and other payables	11,343	11,343	49,944	49,944
Amounts due to related parties	1,004,738	1,004,738	1,671,008	1,671,008

The fair value of financial assets and liabilities approximate the book value at 30 September 2011.

Accounting policies for financial assets and financial liabilities are set out in note 2.

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

The company manages these risks as follows:

Credit risk

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

Liquidity risk

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

12. ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year comprise of residual value and useful lives of property, plant and equipment and other receivables.