

SONATA SOFTWARE NORTH AMERICA INC.

BALANCE SHEET as at 31st March, 2016

USD

	Note No.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	1	300,000	300,000
Reserves and surplus	2	2,411,959	285,837
		2,711,959	585,837
NON-CURRENT LIABILITIES			
Long-term borrowings	3	7,883,333	-
Other long-term liabilities	4	1,300,000	-
		9,183,333	-
CURRENT LIABILITIES			
Short-term borrowings	5	716,667	-
Trade payables	6	12,399,242	9,789,037
Other current liabilities	7	398,426	295,901
Short-term provisions	8	1,659,557	378,830
		15,173,891	10,463,767
TOTAL		27,069,184	11,049,604
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	9 (i)	361,976	334,110
		361,976	334,110
Non-current investments	10	13,485,555	1,524,663
Long-term loans and advances	11	115,539	573,137
		13,601,094	2,097,800
CURRENT ASSETS			
Current investments	12	4,029	4,029
Trade receivables	13	7,402,225	6,567,468
Cash and cash equivalents	14	1,053,302	379,165
Short-term loans and advances	15	2,758,959	20,526
Other current assets	16	1,887,599	1,646,505
		13,106,114	8,617,694
TOTAL		27,069,184	11,049,604

See accompanying notes forming part of the financial statements

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

USD

	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
REVENUE			
Revenue from operations	17.1	54,232,091	53,303,666
Other income	17.2	393,425	31,539
Total revenue		54,625,515	53,335,205
EXPENSES			
Purchase of stock-in-trade (traded goods)		-	36,000
Employee benefit expenses	18	12,475,789	11,499,012
Other expenses	19	38,515,104	42,172,859
Total expenses		50,990,892	53,707,870
Earnings before interest, tax, depreciation and amortization (EBITDA)		3,634,623	(372,665)
Finance costs	20	98,757	-
Depreciation and amortization expense	9 (ii)	93,014	75,089
		191,771	75,089
Profit before tax		3,442,852	(447,754)
Current tax expense		1,316,732	38,088
Profit after tax		2,126,120	(485,842)
Earnings per share - Basic and Diluted (on \$ 1 per share)		0.61	(0.14)
See accompanying notes forming part of the financial statements			

CASH FLOW STATEMENT for the year ended 31st March, 2016

USD

	Year ended 31.03.2016	Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	3,442,852	(447,754)
Adjustments for :		
Depreciation and amortization expense	93,014	75,089
Interest expense	98,757	-
Allowance for bad & doubtful trade receivables	148,595	(159,800)
Provision no longer required (net)	(366,062)	(30,181)
Interest income	(27,362)	(6)
Unrealized foreign exchange (gain) / loss	34,558	10,398
Operating Profit before working capital changes	3,424,352	(552,255)
Adjustments for :		
Decrease/(increase) in trade receivables	(1,006,043)	(442,093)
Decrease/(increase) in other current assets	(241,094)	(870,337)
Decrease/(increase) in long-term loans and advances	457,600	(551,977)
Decrease/(increase) in short-term loans and advances	(2,738,432)	282,119
(Decrease)/increase in trade payables	2,598,340	3,203,830
(Decrease)/increase in other current liabilities	102,525	143,885
(Decrease)/increase in long-term provisions	1,300,000	-
(Decrease)/increase in short-term provisions	1,646,789	(121,028)
Cash generated from operations	5,544,037	1,092,144
Direct taxes/advance tax paid (net)	(1,316,732)	(38,088)
Net cash from operating activities (A)	4,227,305	1,054,056
Net cash from operating activities after exceptional items	4,227,305	1,054,056
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(120,880)	(90,189)
Purchase of non-current investments		
Investments in subsidiary	(11,960,892)	(1,524,663)
Interest received	27,362	6
Net cash flow from investing activities (B)	(12,054,410)	(1,614,847)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Short-term borrowings from banks (net)	716,667	-
Proceeds from long-term borrowings (net)	7,883,333	-
Interest paid	(98,757)	-
Net cash from financing activities (C)	8,501,242	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	674,137	(560,790)
Opening cash and cash equivalents	379,165	939,955
Closing cash and cash equivalents	1,053,302	379,165
Cash and cash equivalents at the end of the year comprises :		
Balances with banks		
In Current accounts	1,053,302	379,165
	1,053,302	379,165

NOTES forming part of Financial Statements

USD

	As at 31.03.2016	As at 31.03.2015
1: Share capital		
Authorized		
Common Stock \$1 per value, 3,500,000 shares (Previous year Common Stock \$1 per value, 3,500,000 shares)	3,500,000	3,500,000
Issued, Subscribed and paid-up		
\$1 per value 300,000 shares each fully paid-up (Previous year \$1 per value 300,000 shares each fully paid-up)	300,000	300,000
Total	300,000	300,000
2: Reserves and surplus		
Surplus in Statement of Profit and Loss		
Opening balance	285,839	771,679
Profit/(loss) for the year	2,126,120	(485,842)
Closing balance	2,411,959	285,837
Total	2,411,959	285,837
3: Long-term borrowings		
Term loan		
From banks - Secured	7,883,333	-
Total	7,883,333	-
4: Other long-term liabilities		
Purchase consideration payable to Halosys	1,300,000	-
Total	1,300,000	-
5: Short-term borrowings		
Term loan		
From banks - Secured	716,667	-
Total	716,667	-
6: Trade payables		
Trade payables - other than acceptances	12,399,242	9,789,037
Total	12,399,242	9,789,037
7: Other current liabilities		
Income received in advance (Unearned revenue)	188,561	221,470
Interest accrued and due on borrowings	13,556	-
Other payables		
Statutory remittances	67,503	41,683
Advances from customers	11,533	-
Others	117,273	32,748
Total	398,426	295,901
8: Short-term provisions		
Provision for employee benefits		
Provision for compensated absences	438,157	378,830
Provision for tax	1,221,400	-
Total	1,659,557	378,830

FIXED ASSETS
9(i) Tangible assets

USD

Particulars	Gross block				Accumulated depreciation				Net Block	
	Cost as at 01.04.2015	Additions	Deductions / adjustments	Cost as at 31.03.2016	Upto 31.03.2015	For the year	Deductions / adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Owned Leasehold improvements	2,806 (2,806)	- -	- -	2,806 (2,806)	2,806 (2,806)	- -	- -	2,806 (2,806)	- -	- -
Plant and equipment	547,440 (457,250)	102,433 (90,189)	- -	649,873 (547,440)	373,313 (330,373)	60,653 (42,940)	- -	433,966 (373,313)	215,907 (174,127)	174,127
Furniture and fixtures	154,173 (154,173)	12,684 -	- -	166,857 (154,173)	42,193 (22,473)	19,871 (19,721)	- -	62,065 (42,193)	104,792 (111,979)	111,979
Office equipments	65,378 (16,598)	5,763 (48,780)	- -	71,141 (65,378)	17,374 (4,946)	12,490 (12,428)	- -	29,865 (17,374)	41,276 (48,004)	48,004
Total	769,797 (630,827)	120,880 (138,970)	- -	890,677 (769,797)	435,687 (360,598)	93,014 (75,089)	- -	528,701 (435,687)	361,976 (334,110)	334,110

9 (ii) Depreciation and amortization expense

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Depreciation on Tangible assets	93,014	75,089
Total	93,014	75,089

USD

	As at 31.03.2016	As at 31.03.2015
10: Non-current investments		
Trade, Long-term, unquoted and at cost		
In subsidiary companies		
Investment in equity instruments		
Rezopia Inc.	1,524,663	1,524,663
Halosys Technologies Inc.	2,891,946	-
Interactive Business Information Systems, Inc.	9,068,946	-
	13,485,555	1,524,663
11: Long-term loans and advances		
Unsecured, considered good		
Security deposits	19,562	21,160
Advance Tax	-	551,977
Secured, considered good		
Prepaid expenses	95,977	-
Total	115,539	573,137
12: Current investments		
Non-trade		
Investments in Stock (unquoted)		
138 Common stock received from Principal Financial Group Inc @ \$29.20 each (Previous year - 138 Common stock received from Principal Financial Group Inc @ \$29.20 each)	4,029	4,029
Total	4,029	4,029

	As at 31.03.2016	As at 31.03.2015
13: Trade receivables		
Unsecured		
Trade receivable outstanding for a year exceeding six months from the date they are due for payment		
Considered good	153,681	5,960
Considered doubtful	277,640	129,045
	431,321	135,005
Less : Provision for doubtful trade receivables	277,640	129,045
	153,681	5,960
Other trade receivables :		
Considered good	7,248,543	6,561,508
Total	7,402,225	6,567,468
14: Cash and cash equivalents		
Balances with banks		
In Current accounts	1,053,302	379,165
Total	1,053,302	379,165
15: Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties - Advances recoverable	111,021	9,481
Inter-corporate deposits	2,332,112	-
Security deposits	1,598	-
Loans and advances to employees	96,166	45
Prepaid expenses	113,456	11,000
Other recoverables	104,606	-
Total	2,758,959	20,526
16: Other current assets		
Unbilled revenue	1,860,241	1,646,505
Interest accrued on Inter-corporate deposits	27,358	-
Total	1,887,599	1,646,505
17.1: Revenue from operations		
Revenue from software services	54,068,825	53,184,977
Revenue from hardware/software product and licenses	-	47,040
Other operating revenues	1,63,266	71,649
Total	54,232,091	53,303,666
17.2: Other income		
Interest income	27,362	6
Net gain on foreign currency transaction and translation	-	1,352
Provision no longer required written back	366,062	30,181
Total	393,425	31,539

	Year ended 31.03.2016	Year ended 31.03.2015
18: Employee benefit expenses		
Salaries, wages, bonus and allowances	11,511,004	10,651,930
Contribution to 401K fund	139,337	109,801
Staff welfare expenses	825,448	737,281
Total	12,475,789	11,499,012
19: Other expenses		
Power and fuel	7,066	7,382
Rent	263,776	246,326
Repairs and maintenance - Machinery	6,940	2,478
Insurance	10,991	28,679
Rates and taxes	323,346	309,034
Communication cost	232,216	231,203
Facility maintenance	19,523	21,309
Travelling and conveyance expenses	488,518	736,432
Sales commission	332,242	943,214
Software Project fees	30,082,080	34,759,797
Professional and technical fees	440,599	369,369
Legal fees	27,020	6,320
Insourcing professional fees	5,310,643	4,101,258
Net loss on foreign currency transaction and translation	67,877	-
Provision for doubtful trade receivables	148,595	(159,800)
Payment to auditors	25,400	22,400
Miscellaneous expenses	728,273	547,456
Total	38,515,104	42,172,859
20: Finance costs		
Interest expense		
Borrowings	81,372	-
Other borrowing costs	17,385	-
Total	98,757	-

SONATA EUROPE LIMITED

DIRECTORS' REPORT for the year ended 31st March, 2016

The directors present their report and the audited financial statements for the year ended 31st March, 2016.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of software development and services.

DIRECTORS

The directors who served during the year were:

Mr. S Ramarao

Mr. V Narayan (resigned 9th April, 2015)

Mr. R N Rege

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

AUDITORS

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

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

Mr. S Ramarao

Director

INDEPENDENT AUDITORS' REPORT for the year ended 31st March, 2016

We have audited the financial statements of Sonata Europe Limited for the year ended 31st March, 2016. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March, 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Lee Facey (Senior Statutory Auditor)
for and on behalf of

Lubbock Fine
Chartered Accountants & Statutory Auditor

Paternoster House
65 St Paul's Churchyard
London EC4M 8AB
Date: 20th May, 2016

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

£

	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
TURNOVER	1,2	2,873,639	3,479,895
Cost of sales		(2,463,113)	(2,398,112)
GROSS PROFIT		410,526	1,081,783
Administrative expenses		174,241	(1,507,062)
OPERATING PROFIT/(LOSS)	3	584,767	(425,279)
Interest receivable and similar income		129	1,289
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		584,896	(423,990)
Tax on profit/(loss) on ordinary activities	5	(59,385)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	525,511	(423,990)

The notes form part of these financial statements.

BALANCE SHEET as at 31st March, 2016

£

	Note No.	As at 31.03.2016	As at 31.03.2015
FIXED ASSETS			
Tangible assets	6	115,908	-
CURRENT ASSETS			
Debtors	7	5,059,790	8,511,553
Cash at bank		3,291,303	292,980
		8,351,093	8,804,533
CREDITORS: amounts falling due within one year	8	(530,061)	(518,104)
NET CURRENT ASSETS		7,821,032	8,286,429
TOTAL ASSETS LESS CURRENT LIABILITIES		7,936,940	8,286,429
CAPITAL AND RESERVES			
Called up share capital	10	4,610,360	5,485,360
Other reserves	11	3,235,440	3,235,440
Profit and loss account	11	91,140	(434,371)
SHAREHOLDERS' FUNDS		7,936,940	8,286,429

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

Mr. S Ramarao

Director

Date: 20th May, 2016

The notes form part of these financial statements.

CASH FLOW STATEMENT for the year ended 31st March, 2016

£

	As at 31.03.2016	As at 31.03.2015
CASH GENERATED FROM OPERATIONS		
OPERATING PROFIT/(LOSS)	584,767	(425,279)
Depreciation of tangible fixed assets	1,692	-
Decrease/(increase) in trade debtors	405,760	(691,602)
Decrease in other debtors	3,017,059	933,246
(Decrease)/increase in trade creditors	(19,664)	23,458
Increase/(decrease) in other creditors	31,623	(32,976)
	<u>4,021,237</u>	<u>(193,153)</u>
CASH FROM OTHER SOURCES		
Interest received	129	1,289
	<u>129</u>	<u>1,289</u>
APPLICATION OF CASH		
Tax paid	(30,443)	-
Redemption of preference shares	(875,000)	-
Purchase of tangible fixed assets	(117,600)	-
	<u>(1,023,043)</u>	<u>-</u>
NET INCREASE IN CASH	2,998,323	(191,864)
Cash at bank and in hand less overdrafts at beginning of the year	292,980	484,844
CASH AT BANK AND IN HAND LESS OVERDRAFTS AT END OF THE YEAR	<u>3,291,303</u>	<u>292,980</u>
Consisting of:		
Cash at bank and in hand	3,291,303	292,980
	<u>3,291,303</u>	<u>292,980</u>
The notes form part of these financial statements.		

NOTES forming part of Financial Statements

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Related parties transactions

The company is a wholly owned subsidiary of Sonata Software Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities (effective January 2015) from disclosing transactions with companies in the Sonata Software Limited group.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

In respect of long term contracts and contracts for on going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts and contracts for on going services is recognised by reference to the stage of completion.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their

estimated residual value, over their expected useful lives on the following bases:

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

1.5 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

96.4% of the company's turnover (2015 97.1%) is attributable to geographical markets outside the United Kingdom.

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging: £

	2016	2015
Depreciation of tangible fixed assets:		
- owned by the company	1,692	-
Auditors' remuneration	7,500	7,500

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were: £

	2016	2015
Aggregate remuneration	215,446	247,530

5. TAXATION

£

	2016	2015
Analysis of tax charge in the year		
UK corporation tax charge on profit/loss for the year	28,943	-
Adjustments in respect of prior periods	30,442	-
Tax on profit/loss on ordinary activities	59,385	-

6. TANGIBLE FIXED ASSETS

£

	Short term leasehold property	Fixtures and fittings	Computer equipment	Total
Cost				
At 1 April 2015	-	-	1,174	1,174
Additions	93,005	24,595	-	117,600
At 31 March 2016	93,005	24,595	1,174	118,774
Depreciation				
At 1 April 2015	-	-	1,174	1,174
Charge for the year	1,423	269	-	1,692
At 31 March 2016	1,423	269	1,174	2,866
Net book value				
At 31 March 2016	91,582	24,326	-	115,908
At 31 March 2015	-	-	-	-

7. DEBTORS

£

	2016	2015
Due after more than one year		
Other debtors	39,780	-
Due within one year		
Trade debtors	590,360	996,120
Amounts owed by group undertakings	-	371,800
VAT recoverable	-	10,030
Other debtors	4,429,650	7,133,603
	<u>5,059,790</u>	<u>8,511,553</u>

The company disposed of its 50.1% holding in TUI Info Tech GmbH, a company registered and operating in Germany, on 28th September, 2012.

Other debtors includes €nil (2015 €4,000,000), equivalent to £nil (2015 £2,906,800), which will be repaid in annual installments from the date of formal completion of the disposal of this investment. The amount of installment payments are subject to specific performance indicators in the disposed company.

Other debtors also includes €5,438,200 (2015 €5,702,300), equivalent to £4,286,100 (2015 £4,143,900), in respect of amounts due on the disposal of the investment which are to be recovered from TUI Info Tech GmbH at a rate of 15% of revenue generated from the business introduced by them, in line with a sales agreement commencing on 1st April, 2014. Certain amounts included in other debtors may fall due after more than one year subject to the factors detailed above.

8. CREDITORS: Amounts falling due within one year

£

	2016	2015
Trade creditors	3,793	23,458
Amounts owed to group undertakings	430,981	379,560
Other taxation and social security	6,914	10,042
Other creditors	88,373	105,044
	<u>530,061</u>	<u>518,104</u>

9. OPERATING LEASE COMMITMENTS

At 31st March, 2016 the company had annual commitments under non cancellable operating leases as follows: £

	2016	2015
Expiry date:		
Within 1 year	-	18,750
Between 2 and 5 years	<u>43,233</u>	-

10. SHARE CAPITAL

£

	2016	2015
Allotted, called up and fully paid		
800 Ordinary shares of £1 each	800	800
4,609,560 (2015 - 5,484,560) 2% redeemable convertible preference shares of £1 each	<u>4,609,560</u>	<u>5,484,560</u>
	<u>4,610,360</u>	<u>5,485,360</u>

The preference shares have no voting rights and the dividend on them is non cumulative and payable subject to the availability of distributable funds.

The preference shares are convertible into ordinary shares on such terms and conditions as determined by the company.

On 18th December, 2015, 875,000 preference shares of £1 each were redeemed at par.

On 13th April, 2016, a further 2,150,000 preference shares of £1 each were redeemed at par.

11. RESERVE

£

	Other reserves	P&L A/C
At 1 st April, 2015	3,235,440	(434,371)
Profit for the financial year	-	525,511
At 31 st March, 2016	<u>3,235,440</u>	<u>91,140</u>

12. ULTIMATE PARENT COMPANY

The company's 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 can be obtained from APS Trust Building, 1/4 Bull Temple Road, N R Colony, Bangalore 560 019, India.

SONATA SOFTWARE FZ LLC

DIRECTORS' REPORT

for the year ended 31st March, 2016

The directors present this report and the financial statements for the year ended 31st March 2016.

The company was incorporated 11th 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 solution.

RESULT AND DIVIDENDS

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

DIRECTORS AND THEIR INTEREST

As at 31 March 2016, the directors of the company were Mr. Srikar Reddy Palem and Mr. Anantha Padmanabham and they did not hold any share in the company. Mr. Venkatraman Narayanan had resigned as Director of the company effective 9 April 2016.

Approved by the board and signed on its behalf by

Director

AUDITORS' REPORT

for the year ended 31st March, 2016

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 31st March, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended 31 March 2016, 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 auditors' report and for no other purpose. To the fullest 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 statement 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.

Auditors' 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 auditors' judgment, including the assessment of the risk of material misstatement of the financial statement, 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 31 March 2016 and the result of its operations and its cash flow for the year then ended in accordance with international Financial Reporting Standards.

Russell Bedford (Dubai) Limited

Dubai, United Arab Emirates

STATEMENT OF FINANCIAL POSITION as at 31st March, 2016

USD

	Note No.	As at 31.03.2016	As at 31.03.2015
ASSETS			
NON- CURRENT ASSETS			
Tangible assets	4	219	1,084
Total non - Current assets		<u>219</u>	<u>1,084</u>
CURRENT ASSETS			
Trade and other receivables	5	316,791	1,595,328
Amounts due from related parties	9	308,835	266,226
Work in Progress	6	233,127	186,199
Cash and cash equivalents	7	376,426	133,893
Total current assets		<u>1,235,179</u>	<u>2,181,646</u>
Total assets		<u>1,235,398</u>	<u>2,182,730</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Provision for end of services benefits		27,631	11,266
Total non- current liabilities		<u>27,631</u>	<u>11,266</u>
CURRENT LIABILITIES			
Amount due to related parties	9	518,307	1,189,710
Trade and other payables	8	88,903	113,558
Total current liabilities		<u>607,210</u>	<u>1,303,268</u>
Total liabilities		<u>634,841</u>	<u>1,314,534</u>
EQUITY			
Share capital	10	136,129	136,129
Retained earnings		464,428	732,067
Total equity		<u>600,557</u>	<u>868,196</u>
Total equity and liabilities		<u>1,235,398</u>	<u>2,182,730</u>

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

Director

STATEMENT OF COMPREHENSIVE INCOME as at 31st March, 2016

USD

	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
Revenue		2,189,011	1,979,741
Cost of services		<u>(2,182,221)</u>	<u>(1,816,432)</u>
GROSS PROFIT		6,790	163,309
General and administrative expenses		<u>(274,429)</u>	<u>(240,331)</u>
NET LOSS FOR THE YEAR	3	<u>(267,639)</u>	<u>(77,022)</u>

The notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY as at 31st March, 2016

USD

	Issued share capital	Retained earnings	Total
Balance at 1 st April, 2014	136,129	809,089	945,218
Loss for the year	-	(77,022)	(77,022)
Balance at 31 st March, 2015	136,129	732,067	868,196
Balance at 1 st April, 2015	136,129	732,067	868,196
Loss for the year	-	(267,639)	(267,639)
Balance at 31st March, 2016	136,129	464,428	600,557

STATEMENT OF CASH FLOWS for the year ended 31st March, 2016

USD

	Year ended 31.03.2016	Year ended 31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(267,639)	(77,022)
Adjustments for:		
Depreciation and amortisation	865	991
Provision for end of service benefits	16,365	-
	(250,409)	(76,031)
CHANGES IN WORKING CAPITAL		
Change in trade and other receivables	1,278,537	(763,381)
Change in work in progress	(46,928)	41,612
Change in amounts due from related parties	(42,609)	(52,570)
Change in amounts due to related parties	(671,403)	836,695
Change in trade and other payables	(24,655)	(9,753)
NET CASH FLOW GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	242,533	(23,428)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	242,533	(23,428)
CASH AND CASH EQUIVALENTS		
At the beginning of the year	133,893	157,321
At the end of the year	376,426	133,893

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, 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, United Arab Emirates. The Company was incorporate on the 11th January, 2009.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgments

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

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

Judgments made by management in the applications 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.

Foreign Currency translation

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

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency at the exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the translation. Currency differences arising on retranslation are generally recognized in profit or loss.

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 31st March, 2016, and have not been adopted early in preparing these financial statements.

IFRS 9 Financial instruments 2014 (applies to annual periods beginning on or after 1st January, 2018)

IFRS 15 Revenue from Contracts with Customers (applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1st January, 2018)

IFRS 10, IAS 28 Sale or Contribution of Assets between an investor and its Associate or Joint Venture (effective date deferred indefinitely)

IFRS 16 Leases (applicable to annual reporting periods beginning on or after 1st January, 2019)

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (applicable to annual periods beginning on or after 1st January, 2017)

IAS 7 Statement of Cash flows (amendments as a result of the Disclosure initiative (applicable to annual periods beginning on or after 1st January, 2017))

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

Tangible assets

All tangible assets are stated at historical cost less depreciation, amortization and provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably, The carrying amount of 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.

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

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 receivable 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 assets 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 statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance held on current accounts with a commercial bank, other short-term highly liquid investments with original maturities of three months or less.

Share capital

Ordinary shares are classified as equity.

Trade and Other payables

Trade and other payables are recognised initially at fair value.

Financial liabilities

Financial liabilities are recognised initially at fair value.

Financial assets

Financial assets are recognised initially at fair value

Impairment and recoverability of financial assets

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

Impairment is determined as follows:

- a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income.
- b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flow discounted at the current market rate of return for a similar financial asset.

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 benefit 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.

Related party transactions and relationships

Related party relationships exists 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 reporting enterprise or between the reporting enterprises 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.

USD

	Year ended 31.03.2016	Year ended 30.03.2015
3: NET LOSS		
Net loss is stated after charging:		
Auditors' remuneration	19,997	15,922
Depreciation	865	991
Staff Costs	746,000	892,466
Office rent	23,383	23,046

4. TANGIBLE ASSETSTangible assets at 31st March, 2016 consisted of:

USD

	Leasehold Improvements	Office equipment	Computers and Peripherals	Furniture and Fixtures	Total
Cost					
At 1 st April, 2014	2,852	451	8,268	4,691	16,262
Additions during the year	-	-	-	-	-
At 31 st March, 2015	2,852	451	8,268	4,691	16,262
At 1 st April, 2015	2,852	451	8,268	4,691	16,262
Additions during the year	-	-	-	-	-
At 31 st March, 2016	2,852	451	8,268	4,691	16,262
Depreciation					
At 1 st April, 2014	2,852	335	7,525	3,475	14,187
Charge during the year	-	64	261	666	991
At 31 st March, 2015	2,852	399	7,786	4,141	15,178
At 1 st April, 2015	2,852	399	7,786	4,141	15,178
Charge during the year	-	52	263	550	865
At 31 st March, 2016	2,852	451	8,049	4,691	16,043
Net book value					
At 31st March, 2016	-	-	219	-	219
At 31 st March, 2015	-	52	482	550	1,084

USD

	As at 31.03.2016	As at 30.03.2015
5. TRADE AND OTHER RECEIVABLES		
Trade receivable	264,813	1,561,431
Prepayments	909	6,784
Other receivables and deposit	51,069	27,113
	316,791	1,595,328
6. WORK IN PROGRESS		
Work in progress	233,127	186,199
7. CASH AND CASH EQUIVALENTS		
This includes cash balances in united states Dollars, Qatari Rial, and United Arab Emirates Dirham Current account with a commercial bank in the united Atrab Emirates		

USD

	As at 31.03.2016	As at 30.03.2015
8. TRADE AND OTHER PAYABLES: Amounts falling due within one year		
Accrued expenses	40,801	57,484
Accrued salaries and benefits	22,048	29,611
Accrued Sales Commission	26,054	26,463
	<u>88,903</u>	<u>113,558</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 have been carried out on the basis of terms agreed between the company and the management of such related parties.		
Details of the company's related party transactions are as follows		
Operational charges to a related party	1,370,779	824,377
Reimbursement of expenses	46,435	57,557
Short term funding by a related party	-	1,150,000
	<u>1,417,214</u>	<u>1,031,934</u>
Amount due from related parties		
Sonata Software (Qatar)	280,413	237,804
Mohamed Nasser Abdullah Al Misnad	28,422	28,422
	<u>308,835</u>	<u>266,226</u>
Amount due to related parties		
Sonata Software Limited	518,307	639,710
Sonata Europe Limited	-	550,000
	<u>518,307</u>	<u>1,189,710</u>
10. SHARE CAPITAL		
The detail of share capital at 31 st March, 2016 are shown below		
Authorised Share of AED 1,000 each	500	136,129
Issued and paid	500	136,129
	<u>500</u>	<u>136,129</u>

USD

	As at 31.03.2016		As at 31.03.2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Cash and cash equivalents	376,426	376,426	1,33,893	133,893
Amounts due from related parties	308,835	308,835	266,226	266,226
Trade and other receivables	315,882	315,882	1,588,544	1,588,544
	<u>1,001,143</u>	<u>1,001,143</u>	<u>3,188,663</u>	<u>3,188,663</u>
Financial liabilities				
Trade and other payables	88,903	88,903	113,558	113,558
Amounts due to related parties	518,307	518,307	1,189,710	1,189,710
	<u>607,210</u>	<u>607,210</u>	<u>1,303,268</u>	<u>1,303,268</u>

The fair value of financial assets and liabilities approximate the book value at 31st March, 2016.

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

The main risks arising from the company's Financial instructions 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 aim 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 JUDGMENTS

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

13 CAPITAL RISK MANAGEMENT

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

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

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

14 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:

	USD
Less than one year	17,385
Two to five years	-
	<hr/>

SONATA SOFTWARE (QATAR)

GENERAL MANAGER'S REPORT

for the year ended 31st March, 2016

The General Managers' present this report and the financial statements for the year ended 31st March, 2016.

The company was incorporated on 7th June, 2011.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

RESULTS AND DIVIDENDS

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

GENERAL MANAGERS AND THEIR INTEREST

As at 31st March, 2016, the general managers of the company are Ms. Priya Manoj Jaswani, Mr. Anantha Padmanabhan Balasubramanian and Mr. Mysore Jayaram Prasad and they do not hold any shares in the Company. They were appointed vide Shareholders' resolution dated 9th November, 2015. Mr. Subham Sarkar, Mr. Venkatraman Narayanan and Mr. Umamaheshwaran Shastry were removed as the general managers effective 9th November, 2015.

Approved and signed on behalf of the general managers by

General Manager

INDEPENDENT AUDITORS' REPORT

for the year ended 31st March, 2016

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sonata Software (Qatar) ("the company"), which comprise the statement of financial position as at 31st March, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31st March, 2016, 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 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 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 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.

AUDITORS' 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 auditors' 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 the 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 31st March, 2016 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

EMPHASIS OF MATTER – GOING CONCERN

Without qualifying our opinion we draw attention to note 2, which explains that these financial statements have been prepared on a going concern basis notwithstanding that the company has incurred a net loss of USD 65,035 for the year ended 31st March, 2016. The continuation of the company's operations is dependent upon future profitable operations, continued financial support of the shareholder and the ability of the company to generate sufficient cash flows to meet the future obligations.

Russell Bedford (Dubai) Limited
Dubai, United Arab Emirates

STATEMENT OF FINANCIAL POSITION as at 31st March, 2016

USD

	Note no.	At at 31.03.2016	As at 31.03.2015
ASSETS			
CURRENT ASSETS			
Cash and equivalents	5	34,622	42,935
Other receivables	6	8,446	-
Total asset		43,068	42,935
LIABILITIES			
CURRENT LIABILITIES			
Other payables	7	35,386	12,827
Amount due to related party	8	280,413	237,804
Total liabilities		315,799	250,631
EQUITY			
Share capital	9	55,080	55,080
Accumulated losses		(327,811)	(262,776)
Total equity (deficit)		(272,731)	(207,696)
Total equity and liability		43,068	42,935

These financial statements were approved by the general managers and authorised for issue.

General Manager

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31st March, 2016

USD

	Note no.	Year ended 31.03.2016	Year ended 31.03.2015
Revenue		-	26,090
Cost of service		-	(15,640)
GROSS PROFIT		-	10,450
Interest income		2	13
General and administrative expenses		(65,037)	(62,354)
(LOSS) FOR THE YEAR	4	(65,035)	(51,891)

The notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY as at 31st March, 2016

USD

	Issued share capital	Accumulated losses	Total
Balance at 1 st April, 2014	55,080	(210,885)	(155,805)
Loss for the year	-	(51,891)	(51,891)
Balance at 31 st March, 2015	55,080	(262,776)	(207,696)
Balance at 1 st April, 2015	55,080	(262,776)	(207,696)
Loss for the year	-	(65,035)	(65,035)
Balance at 31 st March, 2016	55,080	(327,811)	(272,731)

STATEMENT OF CASH FLOW for the year ended 31st March, 2016

USD

Note no.	Year ended 31.03.2016	Year ended 31.03.2015
CASH FLOWS FROM OPERATING ACTIVITIES		
(LOSS) For the year	(65,035)	(51,891)
CHANGES IN WORKING CAPITAL		
Change in other receivables	(8,446)	4,13
Change in amount due to a related party	42,609	18,408
Change in other payables	22,559	11,327
NET CASH FLOW (USED IN) OPERATING ACTIVITIES	(8,313)	(18,025)
NET(DECREASE)IN CASH AND CASH EQUIVALENTS	(8,313)	(18,025)
CASH AND CASH EQUIVALENTS		
At the beginning of the year	42,935	60,960
At the end of the year	34,622	42,935

NOTES forming part of Financial Statements

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Sonata Software (Qatar) ("the company") is a limited liability company 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.

Name of the shareholders	Ordinary shares
Mohamed Nasser Abdulla Al Misnad	102
Sonata Software Limited	98

The Company was incorporated on 7th June, 2011.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis notwithstanding that the company has incurred a net loss of USD 65,035 (2015: USD 51,891) for the year ended 31st March, 2016. The continuation of the company's operations is dependent upon future profitability operations, continued financial support of the shareholders and the ability of the company to generate sufficient cash flows to meet its future obligations. The shareholders has provided an undertaking that they will continue to provide or arrange such financial support as would be necessary for the company to meet its obligations as they fall due in the foreseeable future. Should the company be unable to operate, adjustments would have to be made to reduce the assets to their recoverable amount and to provide for any further liabilities which might arise.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting

Standards ("IFRSs").

Basis of measurement

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

Functional and presentation currency

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

Foreign currency translation

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

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised

cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Currency differences arising on retranslation are generally recognized in profit or loss.

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 31st March, 2016, and have not been adopted early in preparing these financial statements.

IFRS 9 Financial instruments 2014 (applies to annual periods beginning on or after 1st January, 2018)

IFRS 15 Revenue from Contracts with Customers (applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1st January, 2018)

IFRS 10 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture (effective date deferred indefinitely)

IFRS 16 Leases (applicable to annual reporting periods beginning on or after 1st January, 2019)

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (applicable to annual periods beginning on or after 1st January, 2017)

IAS 7 Disclosure Initiative (applicable to annual periods beginning on or after 1st January, 2017)

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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance held on a current account with a commercial bank, other short-term highly liquid investments with original maturities of three months or less.

Share Capital

Ordinary shares are classified as equity.

Other receivables

Other receivables are recognized initially at fair value.

Other payables

Other payables are recognized initially at fair value.

Financial liabilities

Financial liabilities are recognized initially at fair value.

Financial assets

Financial assets are recognized initially at fair value.

Impairment and recoverability of financial assets

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

Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income.
- For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

Provisions

Provisions are recognized 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 recognized as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition

The company recognizes 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 recognized 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.

USD

	Year ended 31.03.2016	Year ended 30.03.2015
4: NET LOSS		
Net loss is stated after charging:		
Rent	41,296	49,572
Auditor's remuneration	9,900	10,811
5. CASH AND CASH EQUIVALENTS		
This includes cash balances held in Qatari Riyal current account with a commercial bank in Qatar.		
	As at 31.03.2016	As at 30.03.2015
6. OTHER RECEIVABLES		
Prepayment	2,944	-
Deposits	5,502	-
	8,446	-
7. OTHER PAYABLES: Amounts falling due within one year		
Accrued expenses	35,386	12,827
8. 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 have been carried out on the basis of terms agreed between the Company and the management of such related parties.		
Details of the company's related party transactions are as follows:		
Reimbursement expenses expenses	42,609	52,569
Charge of project costs	-	15,640
AMOUNT DUE TO RELATED PARTY		
Sonata Software FZ LLC	280,413	237,804
9. SHARE CAPITAL		
The details of share capital at 31 st March, 2016 are shown below:		
Authorised shares of QAR 1,000 each	200	55,080
Issued and paid	200	55,080

10. FINANCIAL INSTRUMENTS

USD

	As at 31.03.2016		As at 31.03.2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Cash and cash equivalents	34,622	34,622	42,935	42,935
Other receivables	5,502	5,502	-	-
Financial liabilities				
Other payables	35,386	35,386	12,827	12,827
Amounts due to related parties	280,413	280,413	237,804	237,804

The fair value of financial assets and liabilities approximate their book value at 31st March, 2016 and 31st March, 2015.

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

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

The company manages this risk as follows.

Liquidity risk

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

11. CAPITAL RISK MANAGEMENT

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

The capital structure of the company consists of equity attributable to equity holders, comprising of authorized, 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.

SONATA SOFTWARE GMBH

CERTIFICATION OF INDEPENDENT AUDITORS

We have reviewed the accompanying balance sheet of Sonata Software GmbH as of 31st March, 2016 and the related Profit and loss account for the period 1st April, 2016 to 31st March, 2016. These interim financial statements are in the responsibility of the management of Sonata Software GmbH. Our responsibility is to express an opinion on these interim 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 interim financial statements are free of material misstatement.

In our opinion, the interim financial statements referred to above present fairly, in all material respects, the financial situation of Sonata Software GmbH as of 31st March, 2016 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, 7th April, 2016

RLT Ruhrmann Tieben & Partner mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

BALANCE SHEET as at 31st March, 2016

EUR

	As at 31.03.2016	As at 31.03.2015
ASSETS		
A. Current assets	286,772.92	277,188.09
B. Prepayment and deferred Charges	543.09	589.46
	287,316.01	277,777.55
LIABILITIES AND EQUITY		
A. Equity	233,709.42	198,411.28
B. Accruals	22,262.32	68,356.78
C. Creditors	31,344.27	11,009.49
- Thereof with a remaining term up to one year EUR 31,344.27 (EUR 11,009.49)		
	287,316.01	277,777.55

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

EUR

	Year ended 31.03.2016	Year ended 31.03.2015
1. Sale revenues	261,777.03	324,951.97
2. Other Operating income	6,687.94	52,541.87
3. Staff Costs	207,928.67	235,689.37
4. Other Operating expenses	40,512.38	42,577.07
5. Taxes on Profit	(15,274.22)	31,598.40
6. Profit of the year	35,298.14	67,629.00

REZOPIA INC.

BALANCE SHEET as at 31st March, 2016

USD

	Note No.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	1	86	86
Reserves and surplus	2	(140,187)	(62,172)
		(140,101)	(62,086)
CURRENT LIABILITIES			
Trade payables	3	567,838	585,249
Other current liabilities	4	115,999	22,145
		683,837	607,394
TOTAL		543,736	545,308
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	5	790	790
		790	790
CURRENT ASSETS			
Trade receivables	6	152,909	503,693
Cash and cash equivalents	7	379,806	25,613
Short-term loans and advances	8	10,232	15,212
		542,947	544,519
TOTAL		543,736	545,308

See accompanying notes forming part of the financial statements

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

USD

	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from operations	9.1	2,096,295	1,187,827
Other income	9.2	102,524	1
Total revenue		2,198,819	1,187,828
EXPENSES			
Employee benefit expenses	10	20,908	203,423
Other expenses	11	2,255,926	1,213,437
Total expenses		2,276,834	1,416,859
Earnings before interest, tax, depreciation and amortization (EBITDA)		(78,015)	(229,031)
Profit before tax		(78,015)	(229,031)
Earnings per share - Basic and Diluted (on \$ 1 per share)		(907.15)	(2,663.15)

See accompanying notes forming part of the financial statements

CASH FLOW STATEMENT for the year ended 31st March, 2016

USD

	Year ended 31.03.2016	Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(78,015)	(128,330)
Adjustments for:		
Allowance for bad & doubtful trade receivables	1,430	-
Interest income	(6)	(1)
Operating Profit before working capital changes	(76,592)	(128,331)
Adjustments for :		
Decrease/(increase) in trade receivables	349,355	(377,696)
Decrease/(increase) in short-term loans and advances	4,981	(3,706)
(Decrease)/increase in trade payables	(17,410)	345,587
(Decrease)/increase in other current liabilities	93,854	6,499
Cash generated from operations	354,187	(157,648)
Net cash from operating activities (A)	354,187	(157,648)
Net cash from operating activities after exceptional items	354,187	(157,648)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	6	1
Net cash flow from investing activities (B)	6	1
Net increase/(decrease) in cash and cash equivalents (A+B)	354,193	(157,647)
Opening cash and cash equivalents	25,613	183,260
Closing cash and cash equivalents	379,806	25,613
Cash and cash equivalents at the end of the year Comprises:		
Balances with banks		
In Current accounts	379,806	25,613
	379,806	25,613

NOTES forming part of Financial Statements

USD

	As at 31.03.2016	As at 31.03.2015
1: Share capital		
Issued, Subscribed and paid-up \$0.0001 per value 860,000 shares each fully paid-up	86	86
Total	86	86
2: Reserves and surplus		
Surplus in Statement of Profit and Loss		
Opening balance	(62,172)	166,859
Profit for the year	(78,015)	(229,031)
Closing balance	(140,187)	(62,172)
Total	(140,187)	(62,172)
3: Trade payables		
Trade payables - other than acceptances	567,838	585,249
Total	567,838	585,249
4: Other current liabilities		
Other current liabilities	-	-
Other payables		
Reimbursable expenses payable	115,999	22,145
Total	115,999	22,145

FIXED ASSETS

5(i) Tangible assets

USD

Particulars	Gross block				Accumulated depreciation				Net block	
	Cost as at 01.04.2015	Additions	Deductions/ Adjustments	Cost as at 31.03.2016	Upto 31.03.2015	For the period	Deductions/ Adjustment	Cost As at 31.03.2016	As at 31.03.2016	
Owned	9,913	-	-	9,913	9,123	-	-	9,123	790	
Furniture and fixtures	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)		
Total	9,913	-	-	9,913	9,123	-	-	9,123	790	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)		

USD

	As at 31.03.2016	As at 31.03.2015
6: Trade receivables		
Unsecured Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Considered good	49	-
Considered doubtful	1,430	-
	1,479	-
Less : Provision for doubtful trade receivables	1,430	-
	49	-
Other debts :Considered good	152,860	503,693
	152,860	503,693
Total	152,909	503,693

	As at 31.03.2016	As at 31.03.2015
7: Cash and cash equivalents		
Balances with banks		
In Current accounts	379,806	25,613
Total	379,806	25,613
8: Short-term loans and advances		
Unsecured, considered good		
Security deposits	5,885	5,885
Other recoverables	4,346	9,327
Total	10,232	15,212
	Year ended 31.03.2016	Year ended 31.03.2015
9.1: Revenue from operations		
Revenue from Software services	2,097,422	1,187,876
Other operating revenues	(1,127)	(49)
Total	2,096,295	1,187,827
9.2: Other income		
Interest income	6	1
Provision no longer required	100,000	-
Net gain on foreign currency transaction and translation	298	-
Miscellaneous income	2,220	-
Total	102,524	1
10: Employee benefit expenses		
Salaries, wages, bonus and allowances	20,908	203,423
Total	20,908	203,423
11: Other expenses		
Rent	1,546	7,278
Rates and taxes	3,422	1,402
Communication cost	314	2,348
Facility maintenance	510	212
Travelling and conveyance expenses	9,696	1,205
Software Project fees	1,473,466	831,513
Professional and technical fees	688,768	335,124
Legal fees	-	7,650
Provision for doubtful trade receivables	1,430	-
Bad trade receivables written off	27,250	-
Miscellaneous expenses	49,524	26,704
Total	2,255,926	1,213,437

HALOSYS TECHNOLOGIES INC.

BALANCE SHEET

as at 31st March, 2016

USD

Note No.	As at 31.03.2016
EQUITY AND LIABILITIES	
SHAREHOLDER'S FUNDS	
Share capital	62,545
Reserves and surplus	(664,446)
	(601,901)
CURRENT LIABILITIES	
Short-term borrowings	1,132,112
Trade payables	42,200
Other current liabilities	30,133
Short-term provisions	8,337
	1,212,783
TOTAL	610,882
ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Tangible assets	2,047
	2,047
CURRENT ASSETS	
Trade receivables	17,576
Cash and cash equivalents	36,133
Short-term loans and advances	555,127
	608,835
TOTAL	610,882

See accompanying notes forming part of the financial statements

NOTES forming part of Financial Statements

Halosys Technologies Inc., based in California, USA, is a leading US based IT solutions provider specializing in Enterprise Mobile Backend API platform and Mobile Information Management Solution. Sonata Software, through its US subsidiary, Sonata Software North America Inc., has acquired a 100% stake in the Halosys Technologies Inc. on 11th September, 2015. Therefore, the financial statements represent performance for the period from 11th September, 2015 to 31st March, 2016.

STATEMENT OF PROFIT AND LOSS

for the period ended 31st March, 2016

USD

Note No.	Period ended 31.03.2016
Revenue from operations	236,404
Other income	33,000
Total revenue	269,404
EXPENSES	
Employee benefit expenses	234,612
Other expenses	224,517
Total expenses	459,129
Earnings before interest, tax, depreciation and amortization (EBITDA)	(189,725)
Finance costs	58,350
Profit before tax	(248,075)
Tax expense	-
Current tax expense	-
Net tax expense	-
Profit after tax	(248,075)
Earnings per share - Basic and Diluted (on \$ 1 per share)	(3.97)

USD

As at 31.03.2016
1: Share capital
Issued, Subscribed and paid-up \$251.88 per value 15,754,000 shares each fully paid-up
Total
62,545

USD

As at 31.03.2016
2: Reserves and surplus
Surplus in Statement of Profit and Loss
Opening balance
Profit for the period
Closing balance
Total
(664,446)

USD

	As at 31.03.2016
3: Short-term borrowings	
Loans and advances from related parties	
Inter-corporate deposit from holding Company - Unsecured	1,132,112
Total	1,132,112
4: Trade payables	
Trade payables - other than acceptances	42,200
Total	42,200

USD

	As at 31.03.2016
5: Other current liabilities	
Interest accrued on Inter-corporate borrowings	17,760
Income received in advance (Unearned revenue)	11,250
Other payables	
Reimbursable expenses payable to related party	1,124
Total	30,133
6: Short-term provisions	
Provision for employee benefits	
Compensated absences	8,337
Total	8,337

FIXED ASSETS**7 Tangible assets**

USD

Particulars	Gross block				Accumulated depreciation				Net block
	Cost as at 01.04.2015	Additions	Deductions/ Adjustments	Cost as at 31.03.2016	Upto 31.03.2015	For the period	Deductions/ Adjustment	As at 31.03.2016	As at 31.03.2016
Owned	-	18,398	-	18,398	-	-	16,351	16,351	2,047
Plant and equipment	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	18,398	-	18,398	-	-	16,351	16,351	2,047
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

USD

	As at 31.03.2016
8: Trade receivables	
Unsecured	
Trade receivable outstanding for a period exceeding six months from the date they are due for payment	
Considered good	17,576
Total	17,576
9: Cash and cash equivalents	
Balances with banks	
In Current accounts	36,133
Total	36,133
10: Short-term loans and advances	
Unsecured, considered good	
Other recoverable	555,127
Total	555,127
	Period ended 31.03.2016
11: Revenue from operations	
Revenue from Software services	227,752
Other operating revenues	8,652
Total	236,404

USD

	Period ended 31.03.2016
12: Other income	
Provisions/liabilities no longer required written back	33,000
Total	33,000
13: Employee benefit expenses	
Salaries, wages, bonus and allowances	231,770
Staff welfare expenses	2,842
Total	234,612
14: Other expenses	
Rent	17,072
Communication cost	3,532
Facility maintenance	11,744
Travelling and conveyance expenses	26
Sales commission	1,500
Professional and technical fees	17,108
Insourcing professional fees	135,333
Provision for doubtful trade receivables	14,400
Miscellaneous expenses	23,801
Total	224,517
15: Finance costs	
Interest expense	
Borrowings	38,011
Others	20,340
Total	58,350

INTERACTIVE BUSINESS INFORMATION SYSTEMS, INC.

BALANCE SHEET

as at 31st March, 2016

		USD
Note No.		As at 31.03.2016
EQUITY AND LIABILITIES		
SHAREHOLDER'S FUNDS		
	Share capital	1 500,250
	Reserves and surplus	2 (448,289)
		51,961
NON-CURRENT LIABILITIES		
	Other long-term liabilities	3 502,474
		502,474
CURRENT LIABILITIES		
	Short-term borrowings	4 1,200,000
	Trade payables	5 390,543
	Other current liabilities	6 116,158
	Short-term provisions	7 70,678
		1,777,380
		2,331,815
TOTAL		
ASSETS		
NON-CURRENT ASSETS		
	Fixed assets	
	Tangible assets	8 (i) 772,772
	Intangible assets	8 (ii) 298,191
		1,070,963
	Deferred tax asset	9 321,522
		321,522
CURRENT ASSETS		
	Trade receivables	10 583,636
	Cash and cash equivalents	11 93,842
	Short-term loans and advances	12 261,852
		939,330
		2,331,815
TOTAL		

STATEMENT OF PROFIT AND LOSS

for the period ended 31st March, 2016

		USD
Note No.		Period ended 31.03.2016
	Revenue from operations	13.1 3,329,554
	Other income	13.2 142
	Total revenue	3,329,696
EXPENSES		
	Employee benefit expenses	14 2,010,906
	Other expenses	15 1,352,931
	Total expenses	3,363,837
	Earnings before interest, tax, depreciation and amortization (EBITDA)	(34,142)
	Finance costs	16 10,676
	Depreciation and amortization expense	8 (iii) 81,704
		92,380
	Profit before tax	(126,522)
	Current tax expense	(321,522)
	Profit after tax	195,000
	Earnings per share - Basic and Diluted (on \$ 1 per share)	0.39

See accompanying notes forming part of the financial statements

NOTES forming part of Financial Statements

Interactive Business Information Systems Inc. (I.B.I.S.), has a strategic partnership with Microsoft for Dynamics solution and delivers world-class supply chain solutions, including its proprietary Advanced Supply Chain Software solution. The company is headquartered in Georgia, USA. Sonata Software, through its US subsidiary, Sonata Software North America Inc., has acquired 100% ownership of Interactive Business Information Systems Inc. on 18th November, 2015. Therefore, the financial statements represent performance for the period from 18th November, 2015 to 31st March, 2016.

		USD
		As at 31.03.2016
1: Share capital		
Authorized		
	Common Stock \$1 per value, 500,250 shares	500,250
Issued, Subscribed and paid-up		
	\$1 per value 500,250 shares each fully paid-up	500,250
	Total	500,250

		USD
		As at 31.03.2016
2: Reserves and surplus		
Surplus in Statement of Profit and Loss		
	Opening balance	(643,289)
	Profit for the year	195,000
	Closing balance	(448,289)
	Total	(448,289)

USD

	As at 31.03.2016
3: Other long-term liabilities	
Provision for rent equalization	502,474
Total	502,474
4: Short-term borrowings	
Term loan	
From banks - Secured	1,200,000
Total	1,200,000
5: Trade payables	
Trade payables - other than acceptances	390,543
Total	390,543

USD

	As at 31.03.2016
6: Other current liabilities	
Provision for rent equalization	80,588
Interest accrued on Inter-corporate borrowings	9,599
Other payables	
Statutory remittances	25,972
Payable on purchase of fixed assets	-
Advances from customers	-
Others	-
Total	116,158
7: Short-term provisions	
Provision for employee benefits	
Provision for compensated absences	70,678
Total	70,678

FIXED ASSETS

8(i) Tangible assets

USD

Particulars	Gross block				Accumulated depreciation				Net block	
	Cost as at 01.04.2015	Additions	Deductions/ Adjustments	Cost as at 31.03.2016	Opening 18.11.2015	For the period	Deductions/ Adjustment	As at 31.03.2016	As at 31.03.2016	
Owned Leasehold improvements	876,356 (-)	- (-)	- (-)	876,356 (-)	277,915 (-)	32,530 (-)	- (-)	310,445 (-)	565,911 (-)	
Plant and equipment	703,476 (-)	- (-)	- (-)	703,476 (-)	585,075 (-)	27,880 (-)	- (-)	612,956 (-)	90,520 (-)	
Furniture and fixtures	240,308 (-)	- (-)	- (-)	240,308 (-)	155,156 (-)	9,722 (-)	- (-)	164,878 (-)	75,430 (-)	
Office equipments	129,317 (-)	- (-)	- (-)	129,317 (-)	80,092 (-)	8,312 (-)	- (-)	88,405 (-)	40,912 (-)	
Total	1,949,457 (-)	- (-)	- (-)	1,949,457 (-)	1,098,239 (-)	78,445 (-)	- (-)	1,176,685 (-)	772,772 (-)	

8(ii) Intangible assets

USD

Particulars	Gross block				Accumulated Amortization				Net block	
	Cost as at 01.04.2015	Additions	Deductions/ Adjustments	Cost as at 31.03.2016	Opening 18.11.2015	For the period	Deductions/ Adjustment	As at 31.03.2016	As at 31.03.2016	
Owned Computer software	71,598 (-)	- (-)	- (-)	71,598 (-)	64,549 (-)	3,259 (-)	- (-)	67,808 (-)	3,789 (-)	
Capitalized R&D	- (-)	294,402 (-)	- (-)	294,402 (-)	- (-)	- (-)	- (-)	- (-)	294,402 (-)	
Total	71,598 (-)	294,402 (-)	- (-)	365,999 (-)	64,549 (-)	3,259 (-)	- (-)	67,808 (-)	298,191 (-)	

8(iii) Depreciation & amortization expenses

Particulars	For the period 31.03.2016
Depreciation on Tangible and Intangible assets As per Note 8 (i) & 8 (ii)	81,704
Total	81,704

INTERACTIVE BUSINESS INFORMATION SYSTEMS, INC.

	USD
	As at 31.03.2016
9: Deferred tax asset	
Tax effects on Others	321,522
Total	321,522
10: Trade receivables	
Unsecured	
Trade receivable outstanding for a year exceeding six months from the date they are due for payment	
Considered doubtful	4,393
	4,393
Less: Provision for doubtful trade receivables	4,393
	-
Other debts:	
Considered good	583,636
Considered doubtful	-
	583,636
Less: Provision for doubtful trade receivables	-
	583,636
Total	583,636
11: Cash and cash equivalents	
Cash on hand	1,000
Balances with banks	
In Current accounts	92,842
Total	93,842
12: Short-term loans and advances	
Unsecured, considered good	
Loans and advances to related parties	
Security deposits	16,306
Prepaid expenses	149,016
Other recoverables	96,530
Total	261,852

	USD
	Period ended 31.03.2016
13.1: Revenue from operations	
Revenue from software services	3,329,554
Total	3,329,554
13.2: Other income	
Miscellaneous income	142
Total	142
14: Employee benefit expenses	
Salaries, wages, bonus and allowances	1,978,872
Contribution to 401K fund	32,034
Total	2,010,906
15: Other expenses	
Power and fuel	22,096
Rent	74,293
Insurance	152,249
Rates and taxes	7,082
Communication cost	30,437
Facility maintenance	20,418
Travelling and conveyance expenses	156,048
Software licence fees	96,230
Professional and technical fees	333,519
Legal fees	15,504
Insourcing professional fees	42,255
Bad debts	(550)
Miscellaneous expenses	403,352
Total	1,352,931
16: Finance costs	
Interest expense	
Others	10,676
Total	10,676