

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF LUMINA DATAMATICS INC

Report on the Condensed Financial Statements

We have audited the accompanying Condensed Financial Statements of **Lumina Datamatics Inc** ("the company") which comprises the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including other Comprehensive Income) and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and a summary of selected explanatory notes. The accompanying Condensed Financial Statements have been prepared by management in accordance with the generally accepted accounting principles applicable in India, solely to enable its Holding Company, Lumina Datamatics Limited to prepare its Consolidated Financial Statements.

Management's Responsibility for the Condensed Financial Statements

The Management is responsible for the preparation of these Condensed Financial Statements. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Condensed Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Condensed Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Condensed Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Condensed Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Condensed Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the Condensed 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Condensed 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 and to the best of our information and according to the explanations given to us, the Condensed Financial Statements of Lumina Datamatics Inc as at and for the year ended March 31, 2022 are prepared, in all material respects, in accordance with the generally accepted accounting principles in India.



Basis of Accounting and Restriction on distribution and use

Without modifying our opinion, we draw attention to Note No. 1(a)(i), which describes the basis and purpose of the Condensed Financial Statements. The Condensed Financial Statements are prepared solely to enable its holding company, Lumina Datamatics Limited, to prepare its Consolidated Financial Statements and are not to be used for any other purpose or to be distributed to any other parties without our prior written consent.

For Kanu Doshi Associates LLP
Chartered Accountants
(Firm's Registration No. 104746W/W100096)



Kunal Vakharia
Partner
Membership No: 148916
UDIN No. 22148916AHXLGU3644



Place: Mumbai
Date: 27th April, 2022

LUMINA DATAMATICS INC.
CONDENSED FINANCIAL STATEMENT
BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in USD)

Particulars	Note	March 31,2022	March 31,2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	16,498	23,852
Other Intangible assets	3	111,132	394,306
Right to use Assets		155,120	220,308
Financial assets			
i. Investments	4	353,219	737,584
ii. Other financial assets	5	17,037	17,037
Deferred tax assets		147,739	58,895
Total non-current assets		800,745	1,451,983
Current assets			
Financial assets			
i. Trade receivables	6	6,089,219	5,787,423
ii. Cash and cash equivalents	7	3,394,223	2,335,026
iii. Other financial assets	8	1,465,858	3,427,835
Other current assets	9	16,705	65,079
		10,966,005	11,615,363
Total current assets		10,966,005	11,615,363
Total assets		11,766,750	13,067,346
EQUITY AND LIABILITIES			
Share Capital			
Equity share capital	10(a)	29,310,530	29,310,530
Other Equity	10(b)	(20,251,669)	(22,626,024)
Total equity		9,058,861	6,684,506
LIABILITIES			
Non-current liabilities			
Lease liabilities		109,919	172,958
Other non-current liabilities	11	136,000	-
Total non-current liabilities		245,919	172,958
Current liabilities			
Financial liabilities			
i. Trade payables	12	2,039,526	5,828,990
ii. Lease liabilities		63,038	59,896
Other current liabilities	13	359,406	320,995
		2,461,970	6,209,882
Total current liabilities		2,461,970	6,209,882
Total liabilities		2,707,889	6,382,839
Total equity and liabilities		11,766,750	13,067,346

The accompanying notes forming an integral part of the financial statements 1-22

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096



Kunal Vakharia

Partner

Membership No. 148916

Place : Mumbai

Dated : April 26, 2022



LUMINA DATAMATICS INC.
 CONDENSED FINANCIAL STATEMENT
 STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts in USD)			
Particulars	Note	March 31, 2022	March 31, 2021
Continuing operations			
Revenue from operations	14	34,407,136	31,471,209
Other income	15	865	842,535
Total income		34,408,001	32,313,744
Expenses			
Employee benefit expenses	16	6,337,347	6,605,328
Net finance costs	17	16,810	46,452
Depreciation and amortisation expenses	18	360,362	446,955
Other expenses	19	23,586,274	22,895,085
Total expenses		30,300,792	29,993,820
Profit before exceptional items and tax		4,107,209	2,319,924
Exceptional items (Refer note no. 22)			
Loss on sale of subsidiary		1,775,316	
Provision for impairment in subsidiary companies		-	3,597,143
Profit before tax		2,331,893	(1,277,219)
Income tax expense			
- Current tax	20(a)	46,383	156,441
- Deferred tax		(88,844)	271,141
Total tax expense/(credit)		(42,461)	427,581
Profit from continuing operations		2,374,354	(1,704,800)
Profit for the year		2,374,354	(1,704,800)

The accompanying notes forming an integral part of the financial statements

1-22

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096



Kunal Vakharia

Partner

Membership No. 148916

Place : Mumbai

Dated : April 26, 2022



LUMINA DATAMATICS INC.

Notes forming part of the condensed financial statements

(All amounts are in USD unless otherwise stated)

Note 1: Significant accounting policies and notes on account

a) Significant Accounting Policies

i) Basis of Preparation of Condensed Financial Statements:

The condensed financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Ind AS in India from the books of accounts maintained in US Dollars. The above condensed financial statements comprising of Balance Sheet, Statement of Profit and Loss and Significant accounting policies have been prepared by the management to enable its holding company, Lumina Datamatics Limited to prepare its consolidated financial statements and only relevant disclosures as required for the intended purpose are disclosed.

ii) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

c) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognised on periodical basis based on units executed and delivered.

Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue. Discount is recognised on cash basis in accordance with the contractual term of the agreement with the customers.

'Unbilled revenues' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date.

d) Income tax

No provision has been considered necessary for the current year since the company has the brought forward net operating losses in accordance with Internal Revenue Service Code of United States of America. However State taxes are accrued and provided in the books. No deferred tax asset has been recognised on the amount of carried forward tax losses and unabsorbed depreciation in the absence of virtual certainty.

e) Leases

As a lessee

Ind AS 116 The Company is complying with Ind AS 116 for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

g) Impairment of financial assets

At each balance sheet date, carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



LUMINA DATAMATICS INC.

Notes forming part of the condensed financial statements

(All amounts are in USD unless otherwise stated)

h) Property, plant and equipment

Property, plant and equipment's are valued at cost after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Intangible assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Capital work-in-progress includes assets not put to use before the year end.

i) Depreciation methods, estimated useful lives and residual value

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Leasehold improvements are amortized over the lease term or the useful life of the asset as determined by the management, whichever is lower. Software costs and customer related contracts intangibles are amortized on a straight-line basis over a period of three years representing the estimated useful life of the respective intangibles.

j) Tangible assets

Fixed assets are stated at cost less accumulated depreciation/amortisation and impairment losses, where applicable. The company capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any attributed cost of bringing the asset to its working condition for its intended use.

k) Intangible assets

Software is acquired primarily from third-party vendors and is in ready-to-use condition. Costs for acquiring such software are capitalized. Goodwill arising on amalgamation is amortized over five years, as per Accounting Standard 14 on "Accounting for Amalgamations".

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital advances" under Long term loans and advances.

l) Goodwill

The consideration paid in excess of net assets taken over are recognised as goodwill and is tested for impairment on annual basis.

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

n) Borrowing costs

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.



LUMINA DATAMATICS INC.

Notes forming part of the condensed financial statements

(All amounts are in USD unless otherwise stated)

o) Provision, Contingent Liabilities and Contingent Assets

The company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount or the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the condensed financial statements.

p) Employee benefits**Defined Benefit Plan****Savings & Investment schemes**

The company has a savings and investment plan under section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions made under the plan are charged to the consolidated statement of profit and loss in the period in which they accrue.

Restricted Stock Units

Employee Compensation in the form of stock options, granted under LDL RSU Plan 2016 & LDL Phantom Stock Appreciation Plan 2021 have been charged to Profit & Loss Statement, based on fair value method, over the vesting period.

q) Earnings per share

In determining Earnings per Share, the Company considers the net profit after tax after reducing the preference dividend and tax thereon and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

r) Operating cycle

Based on the nature of products, activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months. For the purpose of classification of its assets and liabilities as current and non-current.

s) Segment reporting

The company operates in only one business segment, which is e-publishing services and one geographic segment USA.

t) Investments

Long-term investments are stated at cost of acquisition. Provision for diminution is made if such diminution is considered other than temporary. Current investments are stated at lower of cost and fair value



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 2 - Property, Plant and Equipment

(All amounts in USD)

Particulars	Computer & Equipments	Leasehold Improvements	Total
Gross Block			
March 31, 2020	19,755	9,062	28,817
Additions	6,568	2,115	8,683
March 31, 2021	26,323	11,177	37,500
Additions	4,015	-	4,015
Disposals	-	-	-
March 31, 2022	30,338	11,177	41,515

(All amounts in USD)

Particulars	Computer & Equipments	Leasehold Improvements	Total
Accumulated depreciation			
March 31, 2020	3,463	(0)	3,463
Depreciation charge during the year	7,367	2,817	10,184
March 31, 2021	10,830	2,817	13,647
Depreciation charge during the year	8,886	2,484	11,370
March 31, 2022	19,716	5,301	25,017

Net carrying amount as March 31, 2022
 Net carrying amount as March 31, 2021

10,622
 15,492

5,876
 8,360

16,498
 23,853



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 3 - Intangible assets

(All amounts in USD)

Particulars	Computer Softwares	Goodwill
March 31, 2020	1,921,429	18,089,336
Additions	-	-
Disposals and Impairment of asset	413,059	18,089,336
March 31, 2021	1,508,370	-
Additions	-	-
Disposals and Impairment of asset	-	-
March 31, 2022	1,508,370	-

Particulars	Computer Softwares	Goodwill
<i>Accumulated amortisation and impairment</i>		
March 31, 2020	1,156,172	-
Amortisation charge during the year	370,952	-
Disposals	413,059	-
March 31, 2021	1,114,065	-
Amortisation charge during the year	283,173	-
Disposals	-	-
March 31, 2022	1,397,238	-
Net carrying amount as March 31, 2022	111,132	-
Net carrying amount as March 31, 2021	394,305	-



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 4 - Non-current investments

(All amounts in USD)

Particulars	March 31,2022	March 31, 2021
Investment in equity instruments (fully paid-up)		
Unquoted		
In subsidiaries - Wholly Owned (at Cost)		
Investment in instruments of company (unquoted - non trade)		
Investment in Lumina Datamatics, GmbH	2,750,362	2,750,362
Less: Impairment of Lumina Datamatics, GmbH (Refer Note 21)	2,397,143	2,397,143
Lumina Datamatics, GmbH	353,219	353,219
 Investment in Lumina Datamatics Assessment & Analytics, LLC	1,584,366	1,584,366
Less: Impairment of Investment of Lumina Datamatics Assessment & Analytics, LLC (Refer Note 21)	-	1,200,000
Less: Loss on dissolution of Lumina Datamatics Assessment & Analytics, LLC (Refer Note 22)	1,584,366	-
Lumina Datamatics Assessment & Analytics, LLC	-	384,365
Total	353,219	737,584

Note 5 - Other non current Financial Assets

Particulars	March 31,2022	March 31, 2021
Unsecured considered good		
Security deposits	17,037	17,037
Total	17,037	17,037

Note 6 - Trade receivables

Particulars	March 31,2022	March 31, 2021
Unsecured		
Considered Good	6,089,219	5,787,423
Considered doubtful	450,966	237,273
	6,540,185	6,024,696
Less :- Allowance for expected credit loss	450,966	237,273
Total	6,089,219	5,787,423

Note 7 - Cash and cash equivalents

Particulars	March 31,2022	March 31, 2021
Bank balances	3,394,223	2,335,026
Total	3,394,223	2,335,026

Note 8 - Other financial assets

Particulars	March 31,2022	March 31, 2021
Unsecured considered good		
Other Receivables	1,696	428,859
Advances to Lumina Datamatics Assessment & Analytics, LLC	-	1,551,951
Unbilled revenue	1,464,162	1,447,026
Total	1,465,858	3,427,835

Note 9 - Other current assets

Particulars	March 31,2022	March 31, 2021
Prepaid expenses	16,705	65,079
Total	16,705	65,079



LUMINA DATAMATICS INC.
Note 10 - Statement of changes in equity as at March 31, 2022

(a) Equity share capital		(All amounts in USD)
Particulars	Amount	
March 31, 2020	35,420,476	
Buy back of Shares	(5,976,144)	
Reversal of ESOP capital contribution	(133,802)	
March 31, 2021	29,310,530	
Movement during the year	-	
March 31, 2022	29,310,530	

(b) Other equity			
Particulars	Attributable to owners of LUMINA DATAMATICS Inc.		
	Retained earnings	Capital Reserve	Total other equity
As at March 31, 2020	(4,379,626)	1,551,172	(2,828,454)
Profit for the year	(1,704,800)	-	(1,704,800)
Others	(16,541,597)	(1,551,172)	(18,092,769)
Total comprehensive income for the year	(18,246,398)	(1,551,172)	(19,797,570)
As at March 31, 2021	(22,626,024)	-	(22,626,024)
Profit for the year	2,374,354	-	2,374,354
Total comprehensive income for the year	2,374,354	-	2,374,354
As at March 31, 2022	(20,251,669)	-	(20,251,669)



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 11 - Other Non Current liabilities

Particulars	March 31, 2022	March 31, 2021
Provision for Share Appreciation Rights	136,000	-
Total	136,000	-

Note 12 - Trade payables

Particulars	March 31, 2022	March 31, 2021
Trade payables	1,771,971	5,646,480
Other payables	267,555	182,510
Total	2,039,526	5,828,990

Note 13 - Other current financial and non financial liabilities

Particulars	March 31, 2022	March 31, 2021
Statutory dues	1,042	710
Others current liability	358,364	320,286
Total	359,406	320,995



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

(All amounts in USD)

Note 14 - Revenue from operations

Particulars	March 31, 2022	March 31, 2021
Sale of Services	34,407,136	31,471,209
Total	34,407,136	31,471,209

Note 15 - Other income

Particulars	March 31, 2022	March 31, 2021
Miscellaneous receipts	865	839
Provision for ECL / Bad debts Written back (Net)	-	841,696
Total	865	842,535

Note 16 - Employee benefit expenses

Particulars	March 31, 2022	March 31, 2021
Basic Salary, Wages & Allowances	5,987,434	6,526,765
Share based compensation	-	(133,802)
SAR expenses	136,000	-
Staff Welfare	213,913	212,365
Total	6,337,347	6,605,328

Note 17 - Net finance costs

Particulars	March 31, 2022	March 31, 2021
Interest on loan from banks	-	25,729
Interest on lease liabilities	16,810	20,723
Total	16,810	46,452

Note 18 - Depreciation and amortisation expenses

Particulars	March 31, 2022	March 31, 2021
Depreciation on property plant and equipment	11,370	10,184
Amortisation on intangible assets	283,173	370,952
Depreciation on Right to Use Assets	65,819	65,819
Total	360,362	446,955

Note 19 - Other expenses

Particulars	March 31, 2022	March 31, 2021
Outsourcing cost	22,898,471	22,459,742
Electricity expenses	4,748	5,248
Legal & Professional expenses	14,593	6,312
Travelling expenses	30,039	(1,917)
Rent	139	6,486
Communication charges	74,933	99,574
Miscellaneous expenses	-	-
Advertisement expenses & Sales promotion	64,908	10,853
Printing & Stationery	106,919	130,358
Foreign exchange gain / loss	28,175	5,325
Subscription expenses	689	1,377
Bank charges	53,296	89,393
Rates & Taxes	7,780	-
Repairs & Maintenance expenses	42,065	46,060
Bad debts	225,493	-
Insurance	34,026	36,276
Total	23,586,274	22,895,085



LUMINA DATAMATICS INC.
Notes to the Condensed Financial Statements

Note 20 - Taxation

		(All amounts in USD)	
20(a) - Income tax expense			
Particulars	March 31, 2022	March 31, 2021	
<i>Current tax</i>			
Current tax on profits for the year	46,383	156,441	
Adjustments for current tax of prior periods	-	-	
Total current tax expense	46,383	156,441	
<i>Deferred tax</i>			
(Increase)/(Decrease) in deferred tax assets	(88,844)	271,141	
(Decrease)/Increase in deferred tax liabilities	-	-	
Total deferred tax expense/(benefit)	(88,844)	271,141	
Income tax expense	(42,461)	427,581	

Note 21: During the previous year, Lumina Datamatics Inc performed an impairment assessment for assets forming part of investment in subsidiary i.e. Lumina Datamatics Analytics and Assessment Limited (LDAA) and Lumina Datamatics GmbH (LDgmbh) . The recoverable amount of these assets were estimated to be lower than their carrying value and this resulted in an impairment of USD 1,200,000 and USD 2,397,143 in LDAA and LDgmbh respectively.

Note 22: During the current year Lumina Datamatics Analytics Assessments subsidiary of Lumina Datamatics Inc was dissolved as on 18th February 2022

As per our attached report of even date

For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No. 104746W/W100096

Kunal

Kunal Vakharia
Partner
Membership No. 148916
Place : Mumbai
Dated : April 26, 2022

