Sotas Inc.

Financial Statements

for the year ended March 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Sotas Inc**

Report on the Audit of the special purpose Ind AS financial statements

Opinion

We have audited the accompanying special purpose Ind AS financial statements of Sotas Inc (the "Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose Ind AS financial statements in accordance with the Standards on Auditing ("SAs"), issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the special purpose Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose Ind AS financial statements.

Responsibility of Management for the special purpose Ind AS financial statements

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

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

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

Auditor's Responsibilities for the Audit of the special purpose Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

Other Matter

These special purpose Ind AS financial statements have been prepared in all material respect in accordance with basis of preparation as set out in Note 2.1 to the special purpose Ind AS financial statements of the Company, which describes the basis of accounting and the related audit covered by the report was carried out following the generally accepted auditing principles in India. This report covering the special purpose Ind AS financial statements of the Company for the year ended March 31, 2020 is intended for the information and use of the Board of Directors of the Company and Oracle Financial Services Software Limited, the Intermediate Holding Company to comply with the financial reporting requirements in India. Use of these special purpose Ind AS financial statements or the related audit report for any other purpose will be subject to the above explanation.

We refer to note 2.1 of the financial statements related to corresponding financial information of the Company for the year ended March 31, 2019. Corresponding financial information as disclosed in these special purpose Ind AS financial statements are based on the special purpose financial information prepared by the Company to enable Oracle Financial Services Software Limited ('the Intermediate Holding Company') to prepare its consolidated financial statements. The said special purpose financial information for the year ended March 31, 2019, which was not a complete set of financial statements in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), was audited by us for the sole purpose of audit of consolidated financial statements of the Oracle Financial Services Software Limited i.e. Intermediate Holding company .

Our opinion is not modified in respect of above said matter

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration Number: 106655W

S.M. Chitale
Partner
M. No. 111383
UDIN: 20111383AAAADO1996

Place Mumbai
Date: May 14, 2020

Sotas Inc

Balance sheet as at March 31, 2020

(Amounts in INR thousands)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Financial assets			
Investments in subsidiary	3	-	22,964
Income tax assets (net)		82	-
		82	**22,964**
Current assets			
Financial assets			
Cash and cash equivalents	4	21,254	-
		21,254	-
TOTAL		**21,336**	**22,964**
EQUITY AND LIABILITIES			
Equity			
Equity share capital #	5	0	0
Other equity	6	20,856	22,081
Total equity		**20,856**	**22,081**
Current liabilities			
Financial liabilities			
Other current financial liabilities	7	480	539
Provision for tax (net of advance tax)		-	344
		480	**883**
TOTAL		**21,336**	**22,964**

amount represents less than INR 1 thousand

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Place: Mumbai, India
Date: May 14, 2020

For and on behalf of the Board of Directors of
Sotas Inc

Bala Hari
Director

Place: New Jersey, USA
Date: May 13, 2020

Sotas Inc

Statement of profit and loss for the year ended March 31, 2020

(Amounts in INR thousands)

	Notes	Year ended March 31, 2020	2019
Revenue from operations		-	-
Total income		**-**	**-**
Expenses			
Other operating expenses	8	144	457
Total expenses		**144**	**457**
Profit/(Loss) before exceptional item and tax		(144)	(457)
Exceptional item	9	(2,866)	-
Profit/(Loss) before tax		**(3,010)**	**(457)**
Tax expenses			
Current tax	10	17	(94)
Profit/(Loss) for the year		**(3,027)**	**(363)**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		1,802	1,349
Total other comprehensive income for the year, net of tax		**1,802**	**1,349**
Total comprehensive income for the year		**(1,225)**	**986**
Earning per equity share in INR of par value of USD 0.01 per share (March 31,2019 USD 0.01 per share)	14		
Basic		(30,26,888)	(3,63,062)
Diluted		(30,26,888)	(3,63,062)
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our Report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

For and on behalf of the Board of Directors of
Sotas Inc

S. M. Chitale
Partner
Membership No. 111383

Bala Hari
Director

Place: Mumbai, India
Date: May 14, 2020

Place: New Jersey, USA
Date: May 13, 2020

Sotas Inc

Statement of cash flow for the year ended March 31, 2020

(Amounts in INR thousands)

	Year ended March 31,	
	2020	**2019**
Cash flows from operating activities	`	
Profit /(loss) before tax	(3,010)	(457)
Adjustments to reconcile profit/(loss) before tax to cash (used in) provided by operating activities :		
Exceptional item - Loss on sale of investment in subsidiary	2,866	-
Operating Profit before Working Capital changes	**(144)**	**(457)**
Movements in working capital		
Increase (decrease) in other current financial liabilities	13	457
Cash from operating activities	**(131)**	**-**
Payment of taxes	(452)	-
Net cash provided by (used in) operating activities	**(583)**	**-**
Cash flows from investing activities		
Sale of Investments in subsidiary company	20,280	-
Net cash (used in) provided by investing activities	**20,280**	**-**
Cash flows from financing activities	-	-
Net cash (used in) financing activities	**-**	**-**
Net (decrease) increase in cash and cash equivalents	19,697	-
Cash and cash equivalents at beginning of the year	-	-
Effect of exchange rate changes in cash and cash equivalents	1,557	-
Cash and cash equivalents at end of the year	**21,254**	**-**
Component of cash and cash equivalents		
Balance with banks in current accounts	21,254	-
Total cash and cash equivalents	**21,254**	**-**

Summary of significant accounting policies [Refer note 2]

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Place: Mumbai, India
Date: May 14, 2020

For and on behalf of the Board of Directors of
Sotas Inc

Bala Hari
Director

Place: New Jersey, USA
Date: May 13, 2020

Sotas Inc

Statement of changes in equity for the year ended March 31, 2020

(a) Year ended March 31, 2020 (Amounts in INR thousands except share data)

Particulars	Equity share capital		Other equity		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital*	Retained earnings	Other comprehensive income	
				Foreign currency translation reserve	
Balance as of April 1, 2019	**1**	**0**	**14,119**	**7,962**	**22,081**
Profit/(Loss) for the year	-	-	(3,027)	-	(3,027)
Exchange differences on translation of foreign operations	-	-	-	1,802	1,802
Balance as of March 31, 2020	**1**	**0**	**11,092**	**9,764**	**20,856**

* amount represents less than INR 1 thousand

(b) Year ended March 31, 2019 (Amounts in INR thousands except share data)

Particulars	Equity share capital		Other equity		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital*	Retained earnings	Other comprehensive income	
				Foreign currency translation reserve	
Balance as of April 1, 2018	**1**	**0**	**14,482**	**6,613**	**21,095**
Profit/(Loss) for the year	-	-	(363)	-	(363)
Exchange differences on translation of foreign operations	-	-	-	1,349	1,349
Balance as of March 31, 2019	**1**	**0**	**14,119**	**7,962**	**22,081**

* amount represents less than INR 1 thousand

Summary of significant accounting policies [Refer note 2]

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

For and on behalf of the Board of Directors of Sotas Inc

S. M. Chitale
Partner
Membership No. 111383

Bala Hari
Director

Place: Mumbai, India
Date: May 14, 2020

Place: New Jersey, USA
Date: May 13, 2020

Sotas Inc.

Notes annexed to and forming part of financial statements for the year ended March 31, 2020

Note 1: Corporate information

Sotas Inc ("the Company") was incorporated as a corporation registered in Delaware, United States of America on April 12, 1989. The Company is a subsidiary of Mantas Inc holding 100% (March 31, 2019 – 100%) ownership interest in the Company as at March 31, 2020.

The Company is principally engaged in the business of providing information technology solutions and business processing services to the financial services industry worldwide.

The financial statements for the year ended March 31, 2020 were approved for issue in accordance with a resolution of the director on May 13, 2020.

Note 2: Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These financial statements have been prepared on the request of Oracle Financial Services Software Limited, the Intermediate Holding Company to comply with the financial reporting requirements in India.

As the Company is not domiciled in India and hence not registered under the Act, these financial statements have not been prepared to fully comply with the Act, and so they do not reflect all disclosure requirements of the Act.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and share-based payments.

Previous year numbers as disclosed in these Ind AS financial statements are based on the special purpose financial information prepared by the Company to enable Oracle Financial Services Software Limited (the "intermediate Holding Company") to prepare its consolidated financial statements. The special purpose financial information for the year ended and as at March 31, 2019 were prepared for the sole purpose of consolidation and accordingly was not a complete set of financial statements in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

2.2 Summary of significant accounting policies

The significant accounting policies adopted by the Company, in respect of the financial statements are set out as below:

(a) Property, plant and equipment, capital work-in-progress and depreciation

Property, plant and equipment and capital work-in-progress

All items of property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning

of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

The Company purchases certain specific-use application software, which is in ready to use condition, for internal use. It is estimated that such software has a relatively short useful life, usually less than one year. The Company, therefore, charges to the statement of profit and loss the cost of acquiring such software.

Depreciation

Depreciation is computed as per the straight-line method using the rates arrived at based on the useful lives estimated by the management.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating units' ('CGU') fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(c) Foreign currencies

The financial statements are presented in Indian Rupees ('INR'). The functional currency of the Company is US Dollar.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency using spot rates on the date the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and statements of profit or loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the Company uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation in INR are recognized in Other Comprehensive Income ('OCI').

(d) Research and development expenses for software products

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably.

Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

(e) Revenue recognition

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Trade receivables represents the Company's rights to an amount of consideration that is unconditional. Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the benefit period.

(f) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operate and generate taxable income.

Current income tax relating to items recognized outside statement of profit or loss is recognized either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity as applicable. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company has determined whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty has been followed. In determining the approach that better predicts the resolution of the

uncertainty, the Company has considered, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the Company expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from April 1, 2019. The Company has evaluated the effect of Ind AS 12 amendment on the financial statements and concluded that there is no impact on retained earnings.

(g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

All other notes to the financial statements primarily include amounts for continuing operations, unless otherwise mentioned.

(h) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value so as to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing

categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, fair value through other comprehensive income or fair value through statement of profit or loss as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- Debt instruments measured at amortized cost
- Debt instruments at fair value through other comprehensive income ('OCI')
- Debt instruments, derivatives and equity instruments at fair value through statement of profit or loss

Debt instruments measured at amortized cost

This category is the most relevant to the Company. Debt instruments are measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt instruments at fair value through OCI

Debt instruments are measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and

selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not designated any financial assets at fair value through OCI.

Debt instruments at fair value through profit or loss

Debt instruments at fair value through statement of profit or loss include assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by Ind AS 109 – Financial Instruments. Debt instruments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit and loss.

Derecognition

A financial asset is derecognized i.e. removed from the Company's statement of financial position when:

- The contractual rights to the cash flows from the financial asset expired or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. For trade receivables the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Further, the trade receivables

have customer concentration across the globe and therefore the Company also considers the socio-economic conditions of the regions where the customers are located.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Impairment of investments

The carrying amounts of investments are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an investment exceeds its recoverable amount.

Interest income

Interest income is recognized using the effective interest method.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, accrued expenses, accrued compensation to employees, advance from customers, amounts due to subsidiaries, dividend and dividend tax payable along with unpaid dividends.

Subsequent measurement

The Company measures all financial liabilities at amortized cost except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial liabilities held for trading are measured at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109 – Financial Instruments, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

(j) Leases

Company as a Lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Company as a Lessor

Leases for which the Company is a lessor is classified as finance or operating lease. If the terms of the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee, such lease arrangement is classified as finance lease. All other leases are classified as operating leases.

In case of sub-lease, the Company recognizes investment in sub-lease separately in the financial statements. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from such lease arrangement. For operating leases, rental income is recognized on a straight-line basis over the term of the lease arrangement.

Transition

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method. Since the Company does not have any leases, the Company has concluded that there is no impact on retained earnings.

The Company has selected practical expedient for the following:

a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Company recognizes the lease payments associated with such leases as an expense over the lease term.
b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.
c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

(k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(l) Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. The weighted average number of shares and potentially dilutive equity shares are adjusted for the bonus shares and sub-division of shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less.

Sotas Inc.

Notes annexed to and forming part of the financial statements for the year ended March 31, 2020

	(Amounts in INR thousands) As at	
	March 31, 2020	**March 31, 2019**
Note 3: Investments in subsidiary (unquoted) (at cost, unless otherwise stated)		
Mantas India Private Limited - wholly owned subsidiary	-	22,964
Nil (March 31, 2019 - 14,99,940) equity shares of Rs. 10 each		
	-	**22,964**

	(Amounts in INR thousands) As at	
	March 31, 2020	**March 31, 2019**
Note 4: Cash and cash equivalents		
Balances with banks:		
in current accounts	21,254	-
	21,254	**-**

	(Amounts in INR thousands) As at	
	March 31, 2020	**March 31, 2019**
Note 5: Equity share capital		
Authorized:		
1,00,000 (March 31, 2019 - 1,00,000) equity shares of USD 0.01 each	**4,500**	**4,500**
Issued, subscribed and fully paid-up:		
1 (March 31, 2019 - 1) equity shares of USD 0.01 each	0	0

(a) The Company has only one class of equity shares having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5% equity shares in the Company

Name and relationship of shareholder :	**March 31, 2020**	**March 31, 2019**
Mantas Inc		
Number of equity shares	1	1
% of equity shares	100%	100%

As per records of the Company, including its register of shareholders the above shareholding represents both legal and beneficial ownerships of equity shares.

	(Amounts in INR thousands) As at	
	March 31, 2020	**March 31, 2019**
Note 6: Other equity		
Retained earnings	11,092	14,119
Other comprehensive income	9,764	7,962
	20,856	**22,081**
Retained earnings		
Balance, beginning of the year	14,119	14,482
Profit/(loss) for the year	(3,027)	(363)
Balance, end of the year	**11,092**	**14,119**
Other comprehensive income		
Balance, beginning of the year	7,962	6,613
Exchange differences on translation	1,802	1,349
Balance, end of the year	**9,764**	**7,962**

Retained earnings

Retained earnings represents the undistributed earnings, net of amounts transferred to general reserve, if any.

Other comprehensive income

Other comprehensive income represents the exchange differences arising on translation of functional currency from USD to INR for the purpose of reporting.

	(Amounts in INR thousands) As at	
	March 31, 2020	**March 31, 2019**
Note 7: Financial liabilities		
Other financial liabilities measured at amortized cost		
Book Overdraft	-	539
Amount Due to related parties	480	-
	480	**539**

(Amounts in INR thousands)

	Year ended March 31,	
	2020	**2019**
Note 8: Other operating expenses		
Miscellaneous expenses	144	457
	144	**457**
Note 9: Exceptional Item		
Loss on sale of investment in subsidiary	2,866	-
	2,866	**-**
Note 10: Income taxes		
(i) Profit or loss section		
Current taxes		
Domestic income tax	17	(94)
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	**17**	**(94)**
(ii) Other Comprehensive Income section	-	-
Income tax expense charge / (credit) reported in Other Comprehensive Income	-	-

(b) Reconciliation of tax expense and accounting profit for the year end March 31, 2020 and March 31, 2019:

(Amounts in INR thousands)

	Year ended March 31,	
	2020	**2019**
Accounting profit/(loss) before income tax	**(3,010)**	**(457)**
Enacted tax rates	21%	21%
Computed expected tax expenses	(632)	(96)
Tax effect		
on income at different rates	17	-
on others	632	2
Income tax expense reported in statement of profit and loss	**17**	**(94)**

Notes annexed to and forming part of the financial statements for the year ended March 31, 2020

Note 11: Names of Related Parties and description of relationship:

Relationship	**Names of related parties**
Ultimate Holding Company	Oracle Corporation
Holding Company	Mantas Inc
Subsidiary	Mantas India Private Limited (till May 28, 2019)
Fellow Subsidiary of Holding Company i.e. Mantas Inc	Oracle Financial Services Software, Inc.
Intermediate Holding Company	Oracle Financial Services Software, Ltd

(Amounts in INR thousand)

Particulars	**Transactions**		**Amount receivable (payable)**	
	Year ended		**As at**	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Reimbursement (recovery) of expenses				
Oracle Financial Services Software, Inc.	-	-	(480)	-
Investments				
Mantas India Private Limited	-	-	-	22,964
Oracle Financial Services Software, Ltd	20,280	-	-	-

Note 12: Disclosure on revenue from operations

Since the Company has not earned any revenue during the year ended March 31, 2020 and March 31, 2019 disclosures as per Ind AS 115 are not applicable.

Note 13: Segment Information

Business Segments

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Segments are reported in a manner consistent with the internal reporting provided to the Board of Directors i.e. Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company operates under a single reportable segment. Accordingly, the amounts appearing in these financial statements relate to this primary business segment.

Geographical Segments

The Company operates and rendered services to customers in USA and thus operates only one single geography.

Note 14: Reconciliation of basic and diluted shares used in computing earnings per share

(Number of equity shares)

	Year ended March 31,	
	2020	**2019**
Weighted average shares outstanding for basic earnings per share	1	1
Add: Effect of dilutive stock options	-	-
Weighted average shares outstanding for diluted earnings per share	**1**	**1**

Note 15: Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying value of its financial assets which is not significant to the financial statements for the year ended March 31, 2020. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The impact on account of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material impact due to changes in future economic conditions.

Note 16: Significant accounting judgements, estimates and assumptions

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

The key assumptions and estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. These assumptions and estimates are based on available parameters as on the date of preparation of financial statements. These assumptions and estimates, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

(i) Taxes

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year, if any. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions, including disclosures thereof.

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Note 17: Capital commitments and contingent liabilities

(Amounts in INR thousand)

Particulars	March 31, 2020	March 31, 2019
a) Capital commitments towards		
i) property, plant and equipment	Nil	Nil
b) Contingent liabilities	Nil	Nil

Note 18: Financial risk management objectives and policies

The Company's activities expose it to market risks, Liquidity risk and credit risks. The management oversees these risks and is aided by the Risk Management Committee whose scope is to formulate the risk management policy, which will identify elements of risk, if any which may affect the Company.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of foreign currency risk.

- ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of monetary items will fluctuate because of changes in foreign exchange rates. This may have potential impact on the statement of profit and loss and other components of equity, where monetary items are denominated in a foreign currency, which are different from functional currency in which they are measured.

As at the balance sheet date, the Company's net foreign currency exposure expressed in INR that is not hedged is Rs. Nil (March 31, 2019 Rs. Nil).

(b) Liquidity risk

Liquidity risk management implies maintaining sufficient availability of funds to meet obligations when due and to close out market positions. The Company monitors rolling forecast of the cash and cash equivalent on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	(Amounts in INR thousand)		
Particulars	**Less than 1 year**	**More than 1 year**	**Total**
As at March 31, 2020			
Amount due to related parties	480	-	480
	480	**-**	**480**

	(Amounts in INR thousand)		
Particulars	**Less than 1 year**	**More than 1 year**	**Total**
As at March 31, 2019			
Book Overdraft	539	-	539
	539	**-**	**539**

(c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily financial assets).

Sotas Inc.

Notes annexed to and forming part of financial statements for the year ended March 31, 2020

Note 19: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to maximize the equity shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and other financial requirements.

Signature to Notes to Financial Statements

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Place: Mumbai, India
Date: May 14, 2020

For and on behalf of the Board of Directors of
Sotas Inc

Bala Hari
Director

Place: New Jersey, USA
Date: May 13, 2020