

MAGNASOFT EUROPE LTD
Independent Accountants' Audit Report
March 31, 2018

**MAGNASOFT EUROPE LTD
UK**

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Independent Accountants' Audit Report

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DETAILS OF MEMBERS

Magnasoft Europe Limited.

REGISTERED OFFICE

1 Beauchamp Court
10 Victors Way
Barnet
Hertfordshire
EN5 5TZ

Independent Accountants' Audit Report

Date: April 23, 2018

To the Members
MAGNASOFT EUROPE LTD.
#46 New Broad Street
London
EC2M1JH

Scope:

We have audited the accompanying financial statements of Magnasoft Europe Ltd. (company) which comprise the Balance sheet for the year ended March 31, 2018 and the related statements of operations, members' equity, and cash flows for the year ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United Kingdom. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 our 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 control relevant to the Company'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 Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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, financial statements referred to above present fairly, in all material respects, the financial position of Magnasoft Europe Limited (company) as of March 31, 2018, and the results of its operations, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United Kingdom Accounting Standards and applicable law.



V.GANESH
Chartered Accountant
M. No.: 208181

Magnasoft Europe Limited
UK
Notes to the Financial Statements
For the Year ended March 31, 2018

1) Nature of Operations

Magnasoft Europe Ltd is a Corporation, incorporated under the laws of the State of **United Kingdom** on September 23, 2004. The entity is engaged in providing services relating to Laser Scanning, GIS Mapping, LiDAR, Photogrammetry, Orthophoto Production and such other related services.

2) Significant Accounting Policies

Basis of Accounting:

The Company uses the accrual method of accounting for financial reporting purposes. The financial statements have been prepared in conformity with accounting principles generally accepted in the United Kingdom (“GAAP”).

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the UK requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents:

The Company considers all highly liquid instruments purchased with an original maturity of six months or less to be cash equivalents.

Current assets and liabilities:

Assets and liabilities are classified as current if they are receivable and payable within twelve months of the balance sheet date; otherwise they are classified as long term. Current assets and liabilities are stated at nominal value, net of provision, if applicable.



Fair Value of Financial Instruments:

The carrying amounts for certain Company financial instruments, including cash and cash equivalents, certificates of deposits, amounts due to affiliates and member's advance, approximate fair value due to their short maturities.

Plant and Equipment:

Computers & Equipment are stated at historical cost and no depreciation is provided on the same.

Revenue Recognition:

Income is recognized in the period it is earned.

Expenses:

Expenses are recognized in the period these are incurred

Foreign currency translation principle:

Assets and liabilities denominated in currencies other than US Dollars are translated at the rate prevailing at the balance sheet date. Transactions in currencies other than US Dollars during the year are translated into US Dollars at the rate prevailing on the transaction date. Foreign exchange gains and losses are included in Statement of Operations.

3) Related Party Transaction

Magnasoft Consulting India Ltd. is the holding company; the outstanding at the year end is £ 92,323.



Magnasoft Europe Limited
UK
Annexure to the Financial Statements
For the Year ended March 31, 2018
(Expressed in GBP)

Annexure 1 Details of Related Companies

Company	Shareholder	Shareholding % 2018	Shareholding % 2017
Magnasoft Consulting India Ltd.	Magnasoft Consulting India Ltd.	100%	100%



Magnasoft Europe Limited
Standalone balance sheet as at 31 March 2018

		<i>Amount (in GBP)</i>	
	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
Current assets			
Financial assets			
- Trade receivables	3	5,039	5,039
- Cash and cash equivalents	4	288	288
Other current assets	5	2,690	1,916
Total current assets		8,017	7,243
Total assets		8,017	7,243
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	1,000	1,000
Other equity	7	(86,205)	(82,335)
Total equity		(85,205)	(81,335)
Non-Current liabilities			
Financial liabilities			
- Borrowings	8	92,323	87,679
		92,323	87,679
Current liabilities			
Other current liabilities	9	899	899
Total current liabilities		899	899
Total equity and liabilities		8,017	7,243

Significant accounting policies

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for

Chartered Accountants

Firm registration number:

Jace

 Partner
 Membership no..

Place: Bangalore
 Date: 23 April 2018

Bobbie H Kalra

Bobbie H Kalra
 Managing Director
 DIN: 00324575

Bangalore
 Date: 23 April 2018

V.GANESH
 Chartered Accountant
 M. No.: 208181

Magnasoft Europe Limited
Standalone statement of profit and loss for the year ended 31 March 2018

	Note	Amount (in GBP)	
		For the year ended 31 March 2018	For the year ended 31 March 2017
Continuing operations:			
Income			
Revenue from operations		-	-
Total income		-	-
Expenses			
Other expenses	10	3,870	3,600
Total expenses		3,870	3,600
Profit/(loss) for the year		(3,870)	(3,600)
Earnings per equity share (for continuing operation):			
- Basic		(4)	(4)
- Diluted		(4)	(4)

Significant accounting policies

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for
Chartered Accountants
Firm registration number:

Partner
Membership no.:

Place: Bangalore
Date: 23 April 2018



Bobbie H Kalra

Bobbie H Kalra
Managing Director
DIN: 00324575

Bangalore
Date: 23 April 2018

V. GANESH
Chartered Accountant
M. No.: 208181

Magnasoft Europe Limited
 Standalone statement of changes in equity for the year ended 31 March 2018

a Equity share capital

	<i>Amount (in GBP)</i>	
	As at 31 March 2018	As at 31 March 2017
<i>Equity shares of Re 1 each issued, subscribed and fully paid</i>		
Balance at the beginning of the reporting period	1,000	1,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,000	1,000

b Other Equity

For the quarter ended 31 March 2018

Particulars	<i>Amount (in GBP)</i>	
	Reserves and Surplus Retained Earnings	Equity attributable to owners of the company
Balance as at 1 April 2017	(82,335)	(82,335)
Changes in accounting policy/ prior period errors	-	-
Restated balance as at 1 April 2017	(82,335)	(82,335)
Profit or (loss) during the year	(3,870)	(3,870)
Total comprehensive income	(86,205)	(3,870)
Balance as at 31 March 2018	(86,205)	(83,235)

For the quarter ended 31 March 2017

Particulars	<i>Amount (in GBP)</i>	
	Reserves and Surplus Retained Earnings	Equity attributable to owners of the company
Balance as at 1 April 2016	(78,735)	(78,735)
Changes in accounting policy/ prior period errors	-	-
Restated balance as at 1 April 2016	(78,735)	(78,735)
Profit or (loss) during the year	(3,600)	(3,600)
Total comprehensive income	(82,335)	(82,335)
Contributions and distributions:		
Dividends	-	-
Balance as at 31 March 2017	(82,335)	(82,335)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

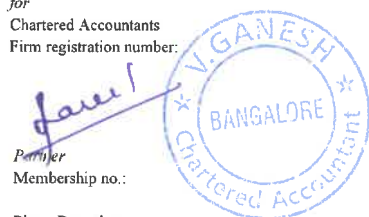
for

Chartered Accountants
 Firm registration number:

Partner

Membership no.:

Place: Bangalore
 Date: 23 April 2018



Bobbie H Kalra

Bobbie H Kalra
 Managing Director
 DIN: 00324575

Bangalore
 Date: 23 April 2018

V. GANESH
 Chartered Accountant
 M. No.: 208181

Magnasoft Europe Limited
Standalone statement of cash flows for the year ended 31 March 2018

	For the year ended 31 March 2018	<i>Amount (in GBP)</i> For the year ended 31 March 2017
Cash flows from operating activities		
Profit for the period	(3,870)	(3,600)
Operating cash flow before working capital changes	(3,870)	(3,600)
<i>Changes in</i>		
- Trade receivables	-	-
- Other current and non-current assets	(774)	(720)
- Current and non-current financial liabilities	4,644	4,320
- Other current and non-current liabilities	-	-
Cash generated from operations	-	-
Income taxes paid	-	-
Cash generated from operations	-	-
Increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	288	288
Cash and cash equivalents at the end of the period	288	288
Components of cash and cash equivalents (refer note 6)		
Balances with banks:		
- in current accounts	288	288
Cash and cash equivalents at the end of the period	288	288

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for

Chartered Accountants
 Firm registration number:

(Signature)
V. GANESH
 BANGALORE
 Chartered Accountant

Partner

Membership no.:

Place: Bangalore
 Date: 23 April 2018

(Signature)

Bobbie H Kalra
 Managing Director
 DIN: 00324575

Bangalore
 Date: 23 April 2018

V. GANESH
 Chartered Accountant
 M. No.: 208181

Magnasoft Europe Limited

Notes to the financial statements for the year ended 31 March 2018

1 Nature of Operations

Magnasoft Europe Ltd is a Corporation, incorporated under the laws of the State of United Kingdom on June 23, 2004. The entity is engaged in providing services relating to Laser Scanning, GIS Mapping, LiDAR, Photogrammetry, Orthophoto Production and such other related services.

2 Significant Accounting Policies

a. Basis of Accounting:

The Company uses the accrual method of accounting for financial reporting purposes. The financial statements have been prepared in conformity with accounting principles generally accepted in the United Kingdom ("GAAP").

b. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the UK requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

c. Cash and Cash Equivalents:

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

d. Current assets and liabilities:

Assets and liabilities are classified as current if they are receivable and payable within twelve months of the balance sheet date; otherwise they are classified as long term. Current assets and liabilities are stated at nominal value, net of provision, if applicable.

e. Fair Value of Financial Instruments:

The carrying amounts for certain Company financial instruments, including cash and cash equivalents, certificates of deposits, amounts due to affiliates and member's advance, approximate fair value due to their short maturities.

f. Plant and Equipment:

Computers & Equipment are stated at historical cost and no depreciation is provided on the same.

g. Revenue Recognition:

Income is recognized in the period it is earned.

h. Expenses:

Expenses are recognized in the period these are incurred

i. Foreign currency translation principle:

Assets and liabilities denominated in currencies other than GBP are translated at the rate prevailing at the balance sheet date. Transactions in currencies other than GBP during the year are translated into GBP at the rate prevailing on the transaction date. Foreign exchange gains and losses are included in Statement of Operations.



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Magnasoft Spatial Services, Inc.

Notes to the financial statements for the year ended 31 March 2018

3 Trade receivables

Particulars	Amount (in GBP)	
	As at	As at
	31 March 2018	31 March 2017
Current		
<i>Unsecured, considered good</i>		
Trade receivables	5,039	5,039
	5,039	5,039

4 Cash and cash equivalents

Particulars	Amount (in GBP)	
	As at	As at
	31 March 2018	31 March 2017
Balances with banks		
- in current accounts	288	288
	288	288

5 Other current assets

Particulars	Amount (in GBP)	
	As at	As at
	31 March 2018	31 March 2017
Prepaid expenses	2,690	1,916
	2,690	1,916



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Magnasoft Spatial Services, Inc.
Notes to the financial statements for the year ended 31 March 2018

6 Share capital

(a) Particulars	Amount (in GBP)	
	As at 31 March 2018	As at 31 March 2017
Authorised		
1000 (31 March 2016: 1000, 1 April 2015: 1000) equity shares of GBP 1 each	1,000	1,000
	1,000	1,000
Issued, subscribed and fully paid up		
1000 (31 March 2016: 1000, 1 April 2015: 1000) equity shares of GBP 1 each	1,000	1,000
	1,000	1,000

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	Amount (in GBP) (except share data)			
	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	1,000	1,000	1,000	1,000
Add: Shares issued/converted during the year*	-	-	-	-
Number of shares outstanding at the end of the year	1,000	1,000	1,000	1,000

(c) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has one class of equity shares having a par value of GBP 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

(d) Particulars of each class of shares held by holding , ultimate holding ,subsidiaries or associates of the holding company or the ultimate holding company

Particulars	As at	As at
	31 March 2018	31 March 2017
<u>Equity Shares</u>		
Magnasoft Consulting India Private Limited	1,000	1,000

(e) Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the year is as given below:-

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	% of holding	No of shares	% of holding	No of shares
Magnasoft Consulting India Private Limited	100%	1,000	100%	1,000

(f) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

7 Other equity

Particulars	Amount (in GBP)	
	As at 31 March 2018	As at 31 March 2017
Retained earnings		
At the commencement of the year	(82,335)	(78,735)
Add: Net profit for the year	(3,870)	(3,600)
At the end of the year	(86,205)	(82,335)



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Magnasoft Spatial Services, Inc.

Notes to the financial statements for the year ended 31 March 2018


8 Non-Current Liabilities

Particulars	Amount (in GBP)	
	As at 31 March 2018	As at 31 March 2017
Advances from related parties	92,323	87,679
	92,323	87,679

9 Other current liabilities

Particulars	Amount (in GBP)	
	As at 31 March 2018	As at 31 March 2017
Others		
- Creditors for expenses	899	899
	899	899

(Signature)



(Signature)

Magnasoft Spatial Services, Inc.
Notes to the financial statements for the year ended 31 March 2018

10 Other expenses

Particulars	Amount (in GBP)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	3,870	3,600
	3,870	3,600

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V. GANESH
BANGALORE
Chartered Accountant
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