

MAGNASOFT EUROPE LTD
Independent Accountants' Audit Report
March 31, 2023

**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 26, 2023

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, 2023 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 Indian Accounting Standards (Ind AS); 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 India. 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, 2023, and the results of its operations, and cash flows for the year ended in accordance with Indian Accounting Standards (Ind AS) and applicable law.



UDIN: 23208181BGVUDX2968

Date: 26/04/2023

V.GANESH
Chartered Accountant
M. No.: 208181

**Magnasoft Europe Limited
UK
Notes to the Financial Statements
For the year ended March 31, 2023**

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 Indian Accounting Standards (Ind AS);.

Use of Estimates:

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) 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:

Fixed assets are stated at the cost of acquisition inclusive of freight, duties, levies, up to the date of ready to use and any directly attributable cost of bringing the asset to their working condition for intended use at site after adjusting transit insurance claim, if any, but excluding refundable taxes from tax authorities

Depreciation / amortization are charged on proportionate basis for all assets put to use during the reporting period or decapitalized during the period.

Depreciation is charged on straight line basis so as to write off the cost of the asset over its useful life as mentioned in the following table :

Asset category	Useful Life (years)
<u>Tangible Assets</u>	
Computers and data processing units	
i) Servers and networks	6
ii) End user devices, such as laptops, computers, etc.	3
Office Equipment	5
Electrical Fittings and equipment	10
Furniture & Fixtures	10

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 GBP are translated at the rate prevailing at the balance sheet date. Transactions in currencies other than GBP during the period are translated into GBP 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 loan payable balance at the year end is £ 57,745 and Cost reimbursement receivable balance as at the year end is £ 46,816.

Magnasoft Spatial Service Inc is the sister company sharing common parent; the outstanding loan balance at the year end is £ 2,54,453 and Cost reimbursement receivable balance as at the year end is £ 1,37,083.

Magnasoft Europe Limited
UK
Annexure to the Financial Statements
For the year ended March 31, 2023
(Expressed in GBP)

Annexure 1 Details of Related Companies

Company	Shareholder	Shareholding % 31 March 2023	Shareholding % 31 March 2022
Magnasoft Consulting India Private Ltd.	Magnasoft Consulting India Private Ltd.	100%	100%



Magnasoft Europe Limited
Standalone balance sheet as at 31 March 2023

Amount (in GBP)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2540	1,804
Total non-current assets		2540	1,804
Current assets			
Financial assets			
- Cash and cash equivalents	4	9,480	288
Other current assets	5	1,84,982	5,462
Total current assets		1,94,462	5,750
Total assets		1,97,001	7,554
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	1,000	1,000
Other equity	7	(1,16,467)	(1,01,745)
Total equity		(1,15,467)	(1,00,745)
Non-Current liabilities			
Financial liabilities			
- Borrowings	8	3,12,198	1,07,400
		3,12,198	1,07,400
Current liabilities			
Other current liabilities	9	270	899
Total current liabilities		270	899
Total equity and liabilities		1,97,001	7,554
Significant accounting policies			
The notes referred to above form an integral part of the standalone financial statements			

As per our report of even date attached


V Ganesh
Chartered Accountant

Membership no.: 208181


Bobbie H Kalra
Managing Director

DIN: 00324575

Place: Bangalore
Date: 26 April 2023

Place: Bangalore
Date: 26 April 2023

V.GANESH
Chartered Accountant
M. No.: 208181

Magnasoft Europe Limited**Standalone statement of profit and loss for the year ended 31 March 2023**

		Amount (in GBP)	
	Note	ended 31 March 2023	For the year ended 31 March 2022
Continuing operations:			
Income			
Revenue from operations		-	-
Other Income	10	899	-
Total income		899	-
Expenses			
Cost of materials consumed			
Cost of integrated logistics services			
Employee benefits expense	11	-	-
Finance costs	12	3,990	-
Depreciation and amortization expense	13	1,136	-
Other expenses	14	10,494	1,980
Total expenses		15,620	1,980
Profit/(loss) for the period		(14,721)	(1,980)
Earnings per equity share (for continuing operation):			
- Basic and Diluted		(14.72)	(1.98)
Significant accounting policies			
The notes referred to above form an integral part of the standalone financial statements			

As per our report of even date attached



V Ganesh
Chartered Accountant
Membership no.: 208181

Bobbie H Kalra
Managing Director
DIN: 00324575

Place: Bangalore
Date: 26 April 2023

Place: Bangalore
Date: 26 April 2023

V.GANESH
Chartered Accountant
M. No.: 208181

Magnasoft Europe Limited
Standalone Statement of changes in equity for the year ended 31 March 2023

a Equity share capital

	<i>Amount (in GBP)</i>	
	<i>As at</i>	<i>As at</i>
	31 March 2023	31 March 2022
<i>Equity shares of Re 1 each issued, subscribed and fully paid</i>		
Balance at the beginning of the reporting year	1,000	1,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	1,000	1,000

b Other Equity

For the year ended 31 March 2023

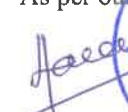
Particulars	<i>Amount (in GBP)</i>	
	Reserves and Surplus	Equity attributable to
	Retained Earnings	owners of the company
Balance as at 1 April 2021	(1,01,745)	(1,01,745)
Profit or (loss) during the year	(14,721)	(14,721)
Total comprehensive income	(1,16,467)	(1,16,467)
Balance as at 31 March 2023	(1,16,467)	(1,16,467)

For the year ended 31 March 2022

Particulars	<i>Amount (in GBP)</i>	
	Reserves and Surplus	Equity attributable to
	Retained Earnings	owners of the company
Balance as at 1 April 2021	(99,765)	(99,765)
Profit or (loss) during the year	(1,980)	(1,980)
Total comprehensive income	(1,01,745)	(1,01,745)
Contributions and distributions:		
Dividends	-	-
Balance as at 31 March 2022	(1,01,745)	(1,01,745)

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

As per our report of even date attached


V Ganesh
 Chartered Accountant

Membership no.: 208181



Bobbie H Kalra
 Managing Director
 DIN: 00324575

Place: Bangalore
 Date: 26 April 2023

Bangalore
 Date: 26 April 2023

V.GANESH
 Chartered Accountant
 M. No.: 208181

Magnasoft Europe Limited

Notes to the Standalone financial statements for the year ended 31 March 2023

3 Property, plant and equipment

	Amount (in GBP)
	Plant and Equipment
Gross carrying amount	
Balance as at 1 April 2021	
Additions	1,804
Deletions	-
Balance as at 31 March 2022	1,804
Balance as at 1 April 2022	1,804
Additions	1,872
Deletions	-
Balance as at 31 March 2023	3,676
Accumulated amortization	
Balance as at 1 April 2021	-
Charge for the period	-
Disposals	-
Balance as at 31 March 2022	-
Balance as at 1 April 2022	-
Charge for the period	1,136
Disposals	-
Balance as at 31 March 2023	1,136
Carrying amount:	
As at 31 March 2022	1,804
As at 31 March 2023	2,540



Magnasoft Europe Limited

Notes to the Standalone financial statements for the year ended 31 March 2023

4 Cash and cash equivalents

Particulars	<i>Amount (in GBP)</i>	
	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	9,480	288
	9,480	288

5 Other current assets

Particulars	<i>Amount (in GBP)</i>	
	As at 31 March 2023	As at 31 March 2022
deposit with government authorities	1,083	-
Prepaid expenses	-	5,462
Other receivable from related parties	1,83,899	-
	1,84,982	5,462



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Magnasoft Europe Limited

Notes to the Standalone financial statements for the year ended 31 March 2023

6 Share capital

(a) Particulars	<i>Amount (in GBP)</i>	
	As at 31 March 2023	As at 31 March 2022
Authorised		
1000 (31 March 2023: 1000, 1 April 2022: 1000) equity shares of GBP 1 each	1,000	1,000
	1,000	1,000
Issued, subscribed and fully paid up		
1000 (31 March 2023: 1000, 1 April 2022: 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 period is as given below:

	<i>Amount (in GBP)</i> (except share data)			
	As at 31 March 2023		As at 31 March 2022	
	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	<i>Amount (in GBP)</i>	
	As at 31 March 2023	As at 31 March 2022
Equity Shares		
Magnasoft Consulting India Private Limited	1,000	1,000

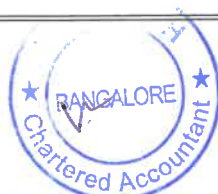
- (e) **Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the period is as given below:-**

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	% 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	<i>Amount (in GBP)</i>	
	As at 31 March 2023	As at 31 March 2022
Retained earnings		
At the commencement of the year	(1,01,745)	(99,765)
Add: Net profit/(loss) for the year	(14,721)	(1,980)
At the end of the year	(1,16,467)	(1,01,745)



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Magnasoft Europe Limited

Notes to the Standalone financial statements for the year ended 31 March 2023

8 Non-Current borrowings

Particulars	<i>Amount (in GBP)</i>	
	As at 31 March 2023	As at 31 March 2022
Advances from related parties	3,12,198	1,07,400
	3,12,198	1,07,400

9 Other current liabilities

Particulars	<i>Amount (in GBP)</i>	
	As at 31 March 2023	As at 31 March 2022
Others		
- Creditors for expenses	270	899
	270	899



A handwritten signature in blue ink, consisting of stylized initials and a horizontal line.

Magnasoft Europe Limited**Notes to the Standalone financial statements for the year ended 31 March 2023****10 Other Income**

Particulars	<i>Amount (in GBP)</i>	
	For the year ended 31 March 2023	For the year ended 31 March 2022
- Liability no longer required written back	899	-
	899	-

11 Employee benefits expense

Particulars	<i>Amount (in GBP)</i>	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	-	-
Contribution to provident and other funds	-	-
	-	-

12 Finance costs

Particulars	<i>Amount (in GBP)</i>	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Expenses	3,990	-
	3,990	-

13 Depreciation and amortisation expense

Particulars	<i>Amount (in GBP)</i>	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment	1,136	-
	1,136	-

14 Other expenses

Particulars	<i>Amount (in GBP)</i>	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent	2,250	1,980
Legal and consultancy charges	983	-
Bank Charges	273	-
Miscellaneous expenses	5,462	-
	10,494	1,980

