

INDEPENDENT AUDITORS' REPORT

To
The Members of LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2022, and the Statement of Profit and Loss and statement of cash flows 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 financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and 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, 2022, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, 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 opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes



maintenance of adequate accounting records in accordance with the provisions of the Act 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 judgments and estimates that are reasonable and prudent; and 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

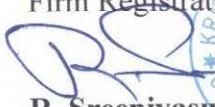

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time;
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;
- (g) The Company being a private limited company, the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There is no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Krishna Reddy & Co
Chartered Accountants
Firm Registration No.05388S



R. Sreenivasulu
Partner

Membership No. 210611
UDIN: 22210611BCJRQX3287
Place : Hyderabad
Date : 09/09/2022

Annexure "A" to the Independent Auditor's Report*

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Loukya Media Solutions Private Limited of even date)

1.	In respect of the Company's fixed assets:	
	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
	(c)	No substantial part of fixed assets have been disposed off during the year, and it has not affected the going concern.
2	(a)	Physical verification of inventory has been conducted at reasonable intervals by the management.
	(b)	Procedures for physically verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. There is no inadequacies in such procedures that should be reported.
	(c)	Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
3.	(a)	The company has not granted or taken any loans, secured or unsecured to/from companies' firms or other parties covered in the register-maintained u/s 301 of the companies Act-1956
	(b)	Whether the rate of interest and other terms and condition of loans given or taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company.
	(c)	Whether payment of the principal amount and interest are also regular.
	(d)	If over due amount is more than one lakh, whether reasonable steps have been taken by the company and recovery / payment of the principal and interest
4.	In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purpose of inventory and fixed assets and for the sale of goods. During the course of audit, We have not observed continuing failure to correct major weaknesses in internal control.	
5.	(a)	According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act 1956 have been entered in the register required to be maintained under that section
	(b)	In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 are made at price which are reasonable having regard to prevailing market prices at the relevant time
6.	In our opinion and according to the information and explanation given to us the	

	<p>company has complied with the provisions of section 58A and 58AA or any other provisions of the companies Act, 1956 and companies (Acceptance of deposits) Rules 1975 with regard to deposits from the public. No order has been passed by Company Law Board or national company law tribunal or Reserve Bank of India or any court or any other tribunal in this regard. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.</p>										
7.	<p>In the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs. 50.00 lacs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business. In respect of statutory dues:</p>										
8	<p>In the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs. 50.00 lacs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.</p>										
9.	(a)	<p>The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales, tax wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.</p>									
	(b)	<p>According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, services tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, ___ for a period of more than six months from the date they became payable.</p>									
	(c)	<p>According to the information and explanations given to us, there are no dues to custom duty, wealth tax, excise duty, sales tax and cess which have been not been deposited on account of any dispute. Dispute given as under</p> <table border="1"> <thead> <tr> <th>Related to</th> <th>Authority where case is pending</th> <th>Financial year</th> <th>Disputed Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Related to	Authority where case is pending	Financial year	Disputed Amount				
Related to	Authority where case is pending	Financial year	Disputed Amount								
10.	<p>The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.</p>										

Krishna Reddy & Co.,
Chartered Accountants

11.	The company has not defaulted in repayment of dues to financial institution, bank or debenture holders..
12.	The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13.	In our opinion and according to information and explanations given to us the company is not chit fund or a nidhi or mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the company.
14	According to information and explanations given to us the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
15	On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.
16	In our opinion, the term loans raised by the company during the year has been applied for the purpose for which it was raised.
17	Based on an overall examination of the Balance Sheet of the company and a review of the consolidated fund flow statement for the year, we report that no funds raised on short-term basis have been used for long-term investment.
18	The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year
19	The company has not issued by debentures during the year. Therefore provisions of clause 4(xix) of the Order are not applicable to the company.
20	The company has not raised any money from the public during the year under audit.
21	According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For Krishna Reddy & Co
Chartered Accountants
Firm Registration No:05388S

R. Sreenivasulu

Partner

Membership No. 210611

Place: Hyderabad

Date: 09/09/2022

UDIN : 22210611BCJRQX3287

LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Formerly known as PRO LAUNCH IT SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31.03.2022

	Notes	As at	
		31 March 2022	31 March 2021
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100,000	100,000
(b) Reserves and Surplus	4	10,418,057	8,331,062
		10,518,057	8,431,062
(3) Non-Current Liabilities			
(a) Long term borrowings		-	-
(b) Deferred tax liabilities (Net)		156,212	156,538
		156,212	156,538
(4) Current Liabilities			
(a) Short-term borrowings	5	-	-
(b) Trade Payables			
Dues to micro and small enterprises		-	-
Dues to other than micro and small enterprises	6	36,682,166	18,872,405
(c) Other current liabilities	7	3,758,041	1,278,912
(d) Short-term provisions	8	732,811	876,143
		41,173,018	21,027,460
TOTAL : I			
		51,847,287	29,615,060
II ASSESTS			
(1) Non-current assests			
(a) Fixed assests			
(i) Tangible assets	9	1,037,875	1,236,065
(ii) Intangible assets	9	3,161	3,161
		1,041,036	1,239,226
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances:		890,000	250,000
		1,931,036	1,489,226
(2) Current assets			
(a) Current investments		-	-
(b) Trade receivables	10	14,740,016	15,878,741
(c) Cash and cash equivalents	11	5,048,673	2,233,220
(d) Short-term loans and advances	12	6,134,662	8,616,281
(e) Other Current Assets	13	23,992,900	1,397,591
		49,916,251	28,125,834
TOTAL:II			
		51,847,287	29,615,060

Summary of significant accounting policies

2

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

As per our report of even date
For Krishna Reddy & Co
Chartered Accountants No. 210611



R. Sreenivasulu
Partner
UDIN: 22210611BCJRQX3287
Place : Hyderabad
Date : 09/09/2022

for and on behalf of the Board of Directors of
Loukya Media Solutions Private Limited

Anil Reddy

Anil Reddy Yerramreddy
Director
DIN: 02309602

Varalakshmi

Varalakshmi Yallanti
Director
DIN: 07753817

LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Formerly known as PRO LAUNCH IT SERVICES PRIVATE LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

	Notes	For the year ended	
		31 March 2022	31 March 2021
I. Revenue From Operations	14	128,305,577	40,369,011
II. Other income	15	689,142	421,529
TOTAL(I + II)		128,994,719	40,790,540
<u>IV:EXPENDITURE</u>			
Purchases	16	89,020,261	6,200,000
Employee Benefit Expenses	17	29,796,552	28,646,815
Financial Costs		-	-
Depreciation and Amortisation expenditure	9	198,190	237,822
Other Expenses	18	7,113,534	2,135,323
TOTAL		126,128,537	37,219,960
Profit/(Loss) during the Year (A-B)		2,866,182	3,570,580
Tax Expense:			
Current Tax		732,811	876,143
Income tax of earlier years		46,702	-
Deferred Tax		(326)	22,501
Net Profit after Provision for Taxation		2,086,995	2,671,936
Profit /(loss) of Previous years		8,331,062	5,659,126
Profit C/fd to Balance Sheet		10,418,057	8,331,062
Earning/(loss) per equity share (EPES):			
Basic	19	208.70	267.19
Diluted	19	208.70	267.19

Summary of significant accounting policies

2

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

As per our report of even date
For Krishna Reddy & Co.
Chartered Accountants



R. Sreenivasulu
Partner
UDIN: 22210611BCJRQX3287
Place : Hyderabad
Date : 09/09/2022

for and on behalf of the Board of Directors of
Loukya Media Solutions Private Limited

Anil Reddy

Anil Reddy Yerramreddy
Director
DIN: 02309602

Varalakshmi Yal

Varalakshmi Yal
Director
DIN: 07753817

LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Formerly known as PRO LAUNCH IT SERVICES PRIVATE LIMITED
Cash Flow Statement for the year ended 31 March 2021
(All amounts in ₹, unless otherwise stated)

	For the year ended	
	31 March 2022	31 March 2021
Cash flows from operating activities		
Profit before tax	2,866,182	3,570,580
Adjustments for:		
Depreciation and amortization expense	198,190	237,822
Interest expense	-	-
Loss on sale of assets	-	-
Interest income	-	27,247
Operating profit before working capital changes	3,064,372	3,835,649
(Increase)/decrease in inventories	-	-
(Increase)/decrease in trade receivables	1,138,725	2,003,669
(Increase)/decrease in loans and advances	1,841,619	(6,481,619)
(Increase)/decrease in other current assets	(22,402,125)	(144,000)
(Increase)/decrease in other non-current assets	-	-
Increase/(Decrease) in trade payables	17,809,761	4,830,502
Increase/(Decrease) in long-term provisions	-	-
Increase/(decrease) in other liabilities and provisions	2,479,130	(234,395)
Cash used in operations	3,931,482	3,809,806
Income tax paid, net	(1,116,029)	(1,171,813)
Net cash provided by/ (used in) operating activities	2,815,453	2,637,993
Cash flows from investing activities		
Purchase of fixed assets	-	-
Proceeds from sale of tangible assets	-	-
Purchase of non-current investments	-	-
Net investment in/(maturity of) in bank deposits (having original maturity of more than three months)	-	(27,247)
Long term loans to subsidiaries	-	-
Interest received	-	(27,247)
Net cash provided by/ (used in) investing activities	-	(54,494)
Cash flows from financing activities		
Proceeds from issue of share capital, net of share issue expenses	-	-
Proceeds from short-term borrowings, net	-	(964,688)
Proceeds from to long-term borrowings, net	-	-
Interest paid	-	-
Net cash provided by/ (used in) financing activities	-	(964,688)
Net increase / (decrease) in cash and cash equivalents	2,815,453	1,618,811
Cash and cash equivalents at beginning of the year	1,958,741	339,930
Cash and cash equivalents at end of the year (refer note 11)	4,774,194	1,958,741



7 Anil Kumar Reddy

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	As at	
	31 March 2022	31 March 2021
Cash and cash equivalents includes:		
Cash on hand	22,862	17,433
Balances with banks in current accounts	4,751,332	1,941,308
Cash and cash equivalents at the end of the year (refer note 11)	4,774,194	1,958,741

As per our report of even date
For Krishna Reddy & Co.,
Chartered Accountants



R. Sreenivasulu
Partner
UDIN: 22210611BCJRQX3287
Place : Hyderabad
Date : 09/09/2022

for and on behalf of the Board of Directors of
Loukya Media Solutions Private Limited

Anil Reddy Yerramreddy
Director
DIN: 02309602

Varalakshmi Yallanti
Director
DIN: 07753817

M/S.Loukya Media Solutions Private Limited

STATEMENT OF DEPRECIATION AND NET BLOCK FOR THE YEAR ENDED 31.03.2022

9 Tangible assets

S.No.	Description of Asset	GROSS BLOCK				W.D.V. Rate of Dep %	DEPRECIATION			NET BLOCK			
		As on 31.03.2020	Additions	Deletions	Total As on 31.03.2021		Total As on 31.03.2022	w/off upto 31.03.2020	w/off current year	Total W/off upto 31.03.2022	As on 31.03.2021	As on 31.03.2022	
1	Furniture & Fixtures	48,124	-	-	48,124	6.33%	24,608	1,889	26,097	1,394	27,491	22,027	20,633
2	Computer	580,470	-	-	580,470	16.21%	390,849	30,738	421,587	25,755	447,342	158,883	133,128
3	Laptops	1,559,370	-	-	1,559,370	16.21%	300,084	204,130	504,214	171,041	675,255	1,055,156	884,115
	Total Tangible Assets	2,187,964	-	-	2,187,964		715,542	236,357	951,899	198,190	1,150,089	1,236,065	1,037,875
9 Intangible assets													
4	SOFTWARE	17,500	-	-	17,500	31.67%	12,874	1,465	14,339	-	14,339	3,161	3,161
	Total Intangible Assets	17,500	-	-	17,500		12,874	1,465	14,339	-	14,339	3,161	3,161
	Total Assets	2,205,464	-	-	2,205,464		728,416	237,822	966,238	198,190	1,164,428	1,239,226	1,041,036

9 Amul Kumar Reddy

Debit



M/S.LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
STATEMENT OF DEPRECIATION AS PER INCOME TAX RULES FOR THE YEAR ENDED : 31-03-2022

S.No.	Assets	WDV as on 01-04-2021	ADDITIONS		Deletion in the year	Total as on 3/31/2022	Rate of Dep. %	Depreciation	WDV as on 3/31/2022
			Before 30th Sep.	After 30 th Sep					
1	Computer	37,897	-	-	-	37,897	40	15,159	22,738
2	Software	1,058	-	-	-	1,058	40	423	635
3	Furniture & Fixtures	16,707	-	-	-	16,707	10	1,671	15,036
4	Laptops	449,099	-	-	-	449,099	40	179,640	269,459
	TOTAL	504,761	-	-	-	504,761		196,893	307,868



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Debit

LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022

1. Corporate Overview

Loukya Media Solutions Private Limited ("the Company"), formerly known as Pro Launch IT Services Private Limited was incorporated on 16 October 2007 as a private limited company. The Company is primarily engaged in the business of providing software consultancy services.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules 2014, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act 2013 and other accounting principles generally accepted in India (GAAP) to the extent applicable. The financial statements are presented in Indian Rupees.

Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expense for the year. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.2 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022 (continued)

2. Significant accounting policies (continued)

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.3 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Depreciation and amortization on fixed assets is provided using the straight line method over the useful lives of assets estimated by the management. The rates of depreciation and amortization prescribed in Schedule II to the Companies Act, 2013 are considered as minimum rates. If the management's estimate of the useful life of a tangible fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review, is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on tangible fixed assets has been provided at the rates based on the following useful lives of fixed assets as estimated by management

	<u>Years</u>
Computer equipment	3
Servers and Networks	6
Furniture and fixtures	10
Electrical fittings	10
Office equipment	5
Office Building	30
Motor Vehicles - 2 Wheelers	10
Motor Vehicles - 4 Wheelers	8
Plant & Machinery	15

Depreciation is calculated on a pro-rata basis from / up to the month the assets are purchased / sold. Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss. Fixed Assets at Leased Premises is depreciated on written down basis over the period of the lease or over the useful life as prescribed by Schedule II to the Companies Act, 2013 whichever is lower.

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LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2022 (continued)

2. Significant accounting policies (continued)

Intangible fixed assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at cost less accumulated depreciation and any accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it relates.

Intangible assets are amortized in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life. The useful life of the intangibles (Computer software) has been estimated at 3 years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

2.5 Revenue recognition

Revenue from software development and Professional services is recognized when the amount of revenue and related cost can be reliably measured and it is probable that the collectability of the related receivables is reasonably assured

2.6 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions or average rate. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the year-end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss.

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LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022 (continued)

2. Significant accounting policies (continued)

2.7 Income taxes

Income tax expense comprises current tax and deferred tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realised.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) Credit entitlement

Minimum Alternate Tax (MAT) credit entitlement represents amounts paid in a year under Section 115 JAA of the Income Tax Act 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off against future tax payments for ten succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit Receivable", under "Long term loan and advances" in balance sheet with a corresponding credit to the Statement of Profit and Loss, as a separate line item. Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

2.8 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

2.9 Provisions

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022 (continued)

2. Significant accounting policies (continued)

Onerous contracts

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of a past event, based on a reliable estimate of such obligation.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines penalties, etc are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

2.10 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.11 Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease.

For operating leases, lease payments (excluding cost for services and maintenance) are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non- cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

2.12 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist principally of cash and deposits with banks.



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LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Formerly Known as Pro Launch IT Services Private Limited
NOTES TO BALANCE SHEET

	As at	
	31 March 2022	31 March 2021
3 Share Capital :		
Authorised Share Capital (1,00,00,000 Equity Shares of Rs.10/- each, March 31, 2021: 1,00,00,000 Equity Shares)	100,000,000	100,000,000
Issued, Subscribed & Paid up :		
(10,000 Equity Shares of Rs.10/- each, March 31, 2021:	100,000	100,000
10,000 Equity Shares of Rs.10/- each)	100,000	100,000

Note:

During the period of five years immediately preceding the date as at which the Balance Sheet is prepared, the company has not

- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) bought back any equity shares

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year

Equity Shares

	31/Mar/2022		31/Mar/2021	
	No	Amount	No	Amount
At the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year	-	-	-	-
Outstanding at the end of the Year	10,000	100,000	10,000	100,000

b) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2022		March 31, 2021	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Anil Reddy YERRAMREDDY	4,990	49.90%	4,990	49.90%
Sujai PATURU	5,000	50.00%	5,000	50.00%

	As at	
	31 March 2022	31 March 2021
4 Reserves and Surplus		
<u>Profit & Loss A/c:</u>		
Opening Balance	8,331,062	5,659,126
Add: Profit during the year	2,086,995	2,671,936
	10,418,057	8,331,062

Current Liabilities

	As at	
	31 March 2022	31 March 2021
5 Short Term Borrowings:		
Loan from related parties, unsecured	-	-

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		As at	
		31 March 2022	31 March 2021
6	Trade Payables:		
	Sundry Creditors	36,637,166	18,822,405
	Auditfee Payable	45,000	50,000
		36,682,166	18,872,405
		As at	
		31 March 2022	31 March 2021
7	Other current liabilities		
	Statutory Dues	3,758,041	1,278,912
		3,758,041	1,278,912
		As at	
		31 March 2022	31 March 2021
8	Short-term Provisions:		
	Provision for Income Tax	732,811	876,143
		732,811	876,143
		As at	
		31 March 2022	31 March 2021
9	Long-term loans and advances:		
	Security Deposits, secured considered good	890,000	250,000
		890,000	250,000
		As at	
		31 March 2022	31 March 2021
10	Trade Receivables		
	Outstanding for a period exceeding six months from the date they are due for payment	-	-
	Other receivables, unsecured considered good	14,740,016	15,878,741
		14,740,016	15,878,741
	The amounts dues by:		
	Directors	-	-
	Other officers of the company or any of them either severally or jointly with any other person	-	-
	Firms or private companies respectively in which any director is a partner or a director or a member	14,740,016	15,878,741
		As at	
		31 March 2022	31 March 2021
11	Cash and Cash Equivalents		
	Balances with banks in current accounts	4,751,332	1,941,308
	Cash in Hand	22,862	17,433
	Fixed Deposit	274,479	274,479
		5,048,673	2,233,220
	TOTAL		

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	As at	
	31 March 2022	31 March 2021
12 Short Term Loans and Advances		
Advances given to employees, unsecured considered good	2,134,662	2,134,662
Advances given to others, unsecured considered good	2,000,000	5,000,000
Loans & advances to related parties, unsecured considered good	2,000,000	1,481,619
TOTAL	6,134,662	8,616,281

	As at	
	31 March 2022	31 March 2021
13 Other Current Assets		
Advance Tax	1,446,775	1,253,591
TDS & TCS	74,505	-
GST Input	1,092,532	144,000
Unbilled Revenue B/s	21,379,088	-
TOTAL	23,992,900	1,397,591

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LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED
Formerly Known as Pro Launch IT Services Private Limited
NOTES TO PROFIT & LOSS ACCOUNT

		For the year ended	
		31 March 2022	31 March 2021
14	Revenue from Operations:		
	Software services	16,531,887	34,119,011
	Sales of products	90,394,602	6,250,000
	Unbilled Revenue P&L	21,379,088	-
	TOTAL	128,305,577	40,369,011
<hr/>			
		For the year ended	
		31 March 2022	31 March 2021
15	Other Income:		
	Interest on Fixed Deposit	-	27,247
	Foreign Currency Exchange Fluctuation	689,142	394,282
	TOTAL	689,142	421,529
<hr/>			
		For the year ended	
		31 March 2022	31 March 2021
16	Cost of Sales:		
	Openig Stock	-	-
	Add: Purchase of Stock-in-Trade	89,020,261	6,200,000
	Less: Closing Stock	-	-
	TOTAL	89,020,261	6,200,000
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		For the year ended	
		31 March 2022	31 March 2021
17	Employee Benefit Expenses:		
	Salaries	27,336,600	22,687,536
	Staff Welfare	157,073	162,334
	Training Expenses	-	-
	Employee Exp.Onsite	2,302,879	5,796,945
	TOTAL	29,796,552	28,646,815
<hr/>			
		For the year ended	
		31 March 2022	31 March 2021
9	Depreciation and Amortisation Expenditure		
	Depreciation	198,190	237,822
	TOTAL	198,190	237,822

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	For the year ended	
	31 March 2022	31 March 2021
18 Other Expenses:		
Payment to auditor (refer Note A)	50,000	50,000
Rent (Refer Note B)	600,000	600,000
Office Expenses	101,998	57,430
Printing & Stationery	66,996	60,082
Repairs & Maintenance	-	21,008
Computer Accessories	650,000	-
Telephone And Internet	22,917	174,445
Professional Charges	4,000	-
Bank Charges	9,485	10,747
Travelling & Conveyance	-	-
Vehicle Maintenance	85,575	32,723
Consulting Services	5,392,971	1,008,800
Oil & Fuel	77,899	110,133
Interest on Income Tax	44,200	-
Taxes, Fees & Rates	-	-
Client Bank Charges	7,493	9,956
TOTAL	7,113,534	2,135,323

Note A - Payment to auditor

	For the year ended	
	31 March 2022	31 March 2021
Audit fee	30,000	30,000
Tax audit fee	-	-
In other capacity:		
Other services	-	-
Reimbursement of expenses	-	-
	30,000	30,000

Note B - Rent

The Company is obligated under cancellable operating lease agreements. Total rental expense for the period under cancellable leases was Rs. 6,00,000 (31 March 2021: Rs.6,00,000).

	For the year ended	
	31 March 2022	31 March 2021
19 Earnings per Share		
Net Profit after Tax	2,086,995	2,671,936
Weighted average number of equity shares (Nos)	10,000	10,000
Nominal value per share	10	10
Earnings per Share	208.70	267.19
Diluted Earnings per Share	208.70	267.19

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LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2022 (continued)

20 Contingent Liabilities not acknowledged as debt

Particulars	As at 31 March 2022	As at 31 March 2021
Contingent Liabilities	NIL	NIL

21 Capital commitments and contingent liabilities*(to the extent not provided for)*

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

22 Operating leases

The Company is obligated under cancellable operating lease agreements. Total rental expense for the period under cancellable leases was Rs. 6,00,000 (31 March 2021: Rs. 6,00,000).

23 CIF value of imports

Particulars	As at 31 March 2022	As at 31 March 2021
Capital goods	-	-

24 Expenditure in foreign currency

Particulars	As at 31 March 2022	As at 31 March 2021
Travel and tour expenses	-	-

25 Earnings in foreign currency

Particulars	As at 31 March 2022	As at 31 March 2021
Income from export of: -		
- Software Consultancy Services & IT related Services	1,83,44,535	3,64,97,388
Total	1,83,44,535	3,64,97,388

26 Dues to Micro, Small and Medium Enterprise

The identification of micro, small and medium enterprise supplier as defined under the provisions of "Micro, Small and Medium Enterprises Development Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31st March 2022.



LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2022 (continued)

Dues to Micro, Small and Medium Enterprise (continued)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

27 Related Party Transactions

a) List of parties where control exists

Subsidiaries: NIL

b) Other related parties

MOURI Tech Private Limited	-	Common Director
Prime Web Services Private Limited	-	Common Director
Anil Reddy Yerramreddy	-	Director
MOURI Tech LLC	-	Common Shareholders

Transactions with related parties

Name of the related party	Nature of Transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
MOURI Tech Private Limited	Loan taken	-	35,53,694
MOURI Tech Private Limited	Loan paid	14,81,619	60,00,000
MOURI Tech Private Limited	Sale of Products	9,03,94,602	62,50,000
Prime Web Services Private Limited	Loan given	20,00,000	-
MOURI Tech LLC	Sale of Services	1,65,31,887	3,41,19,011



LOUKYA MEDIA SOLUTIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2022 (continued)

Balances receivable/(payable)

Name of the related party	As at 31 March 2022	As at 31 March 2021
MOURI Tech Private Limited	(1,26,11,878)	14,81,619
Prime Web Services Private Limited	20,00,000	-
MOURI Tech LLC	1,47,40,016	1,58,78,741



28 Balances of unsecured loans, creditors and loans & advances are subject to confirmation by the parties concerned.

29 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond to current year's classification.

30 Figures are rounded off to the nearest rupee.

As per our report of even date

For Krishna Reddy & Co.,

Chartered Accountants

R. Sreenivasulu

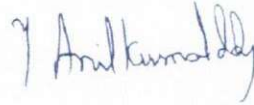
Partner

UDIN: 22210611BCJRQX3287

Place : Hyderabad

Date : 09/09/2022

for and on behalf of the Board of Directors of
Loukya Media Solutions Private Limited.,



Anil Reddy Yerramreddy

Director

DIN: 02309602

Varalakshmi Yallanti

Director

DIN: 07753817