

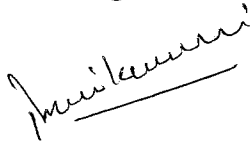
NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of **LinguaSol Private Limited** will be held on Monday the 12th day of October 2020 at 11.00 a.m. at the Registered Office of the Company at Galore IT Park, 4th Floor, S. No. 22, Bavdhan, Pune 411021, to transact the following business:

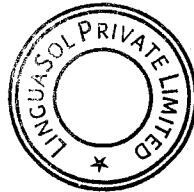
ORDINARY BUSINESS:

1. To receive, consider and adopt financial statement for the financial year ended March 31, 2020 together with the Reports of Directors and Auditors thereon.

**On behalf of the Board
For LinguaSol Private Limited**



**Prachi Kulkarni
Director
DIN: 03618459**



**Place: Tokyo
Date: 23/09/2020**

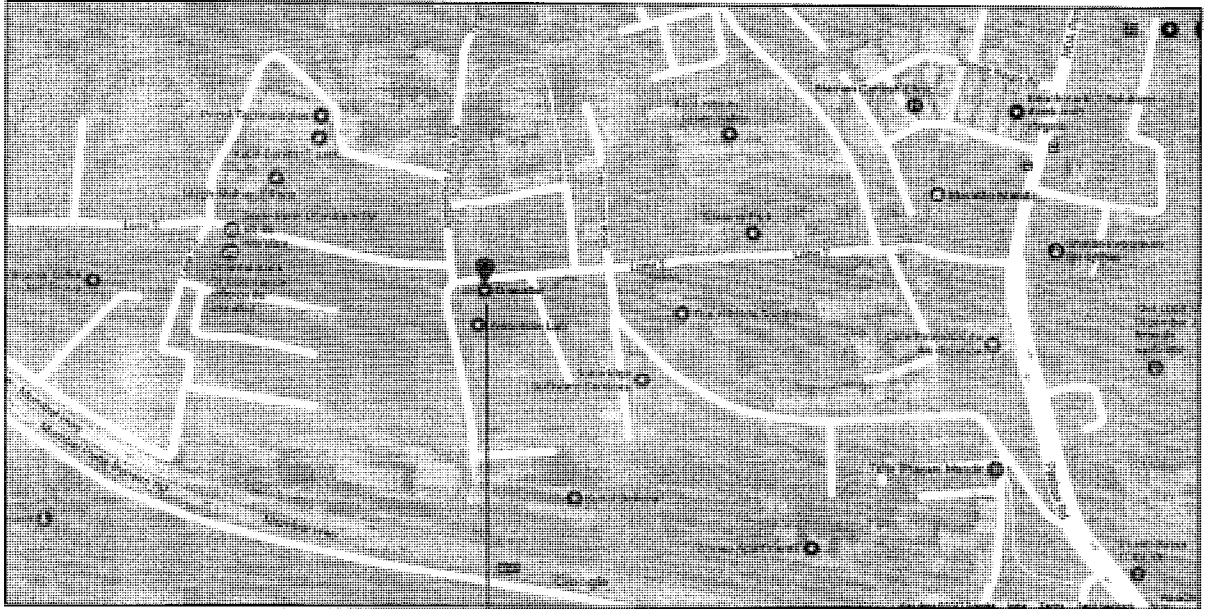
NOTES:

- 1) A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HOURS) BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
- 2) Route-map to the venue of the Annual General Meeting is attached herewith.

LinguaSol Private Limited

4th Floor, Galore Tech Park, Behind Maratha Mandir, Bavdhan, Pune - 411 021,
Tel.:+91 20 22 95 38 48, Fax:+91 20 22 95 28 48 Email:info@linguasol.net | www.linguasol.net |
CIN:U72900PN2016PTC166812

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



**LinguaSol Private Limited
Galore IT Park, 4th Floor, S. No. 22, Bavdhan,
Pune 411021**

BOARD'S REPORT

To,
The Members,
LinguaSol Private Limited

Your Directors have pleasure in presenting their Fourth Annual Report together with the audited Financial Statement of the Company for the Financial Year ended March 31, 2020.

1) FINANCIAL SUMMARY:

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
Total Revenue		30,494,604	32,465,144
Expenditure		31,881,060	29,200,639
Depreciation		8,704,682	6,432,048
Profit/(Loss) before Tax		(10,091,138)	(3,167,543)
Tax Expenses	Current Tax	22,090	154,743
	Deferred Tax	(56,978)	(918,843)
Profit/(Loss) after Tax		(10,056,250)	(2,403,443)

APPROPRIATIONS:

Particulars	Current Year 31-03-2020	Previous Year 31-03-2019
Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
Transfer to General Reserve	Nil	Nil
Capital Reserves on account of BTA	28,007,245	28,007,245
Balance Carried to Balance Sheet	(10,056,250)	(2,403,443)
Balance as per last financial statements	(12,162,161)	(9,758,718)
Net surplus/(deficit)	5,788,834	15,845,084

2) STATE OF THE COMPANY'S AFFAIRS:

During the year, the total revenue from business operations of the Company was Rs. 3.05 Crores as against Rs. 3.25 Crores in comparison with previous year. The Loss after tax is Rs. 1.01 Crore in comparison with previous year's loss of Rs. 0.24 Crore.

3) DIVIDEND:

In the absence of profit, your directors do not recommend any dividend for the financial year 2019-20.

4) ANNUAL RETURN:

As per the provisions of section 92(3) of the Companies Act, 2013, a copy of the annual return is placed on the website of the company at www.linguasol.net. Extract of the Annual Return in form MGT-9 is annexed to this report and marked as *Annexure-I*.

5) BOARD MEETINGS:

During the financial year under review, 5 (*Five*) Board Meetings were held on the following dates:

16th May 2019, 8th July 2019, 14th September 2019, 30th December 2019 and 4th February 2020.

6) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Board of Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company in the preparation of the annual accounts, along with proper explanation relating to material departures, if any;
- b) The accounting policies selected by the Company have been consistently applied, the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the *loss* of the Company for that period;
- c) That, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the company, wherever required, and that such internal financial controls are adequate and were operating effectively; and
- f) The Company had devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7) QUALIFICATIONS OR ADVERSE REMARKS OR DISCLAIMERS CONTAINED IN AUDIT REPORT:

During the financial year under review, there are no qualifications or adverse remarks or disclaimers made by the Statutory Auditor of the Company in their Audit Report.

8) AUDITORS:

Kirtane & Pandit LLP, Chartered Accountants, were appointed as Auditors of the Company in the Annual General Meeting held on November 3, 2017 for a period of 5 years.

9) DIRECTORS:

During the year under review, there are no changes in the Board of Directors of the Company.

10) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

There are no loans, guarantees and investments made by the company as covered under the provisions of Section 186 of the Companies Act, 2013.

11) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The details of transactions with Related Parties in the Form No. AOC-2, as prescribed by the Rule 8(2) of the Companies (Accounts) Rules 2014 are attached to this report and marked as *Annexure-II*.

12) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION AFTER THE END OF FINANCIAL YEAR:

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

13) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is given below:

A	Conservation of energy		
	a. The steps taken or impact on conservation of energy:	Operations of the Company are not energy intensive; still Company has taken necessary steps to ensure optimum utilization of energy.	
	b. The steps taken by the company for utilizing alternate source of energy:	Not Applicable	
c. The capital investment on energy conservation equipment's:			
B	Technology Absorption		
	(i) The efforts made towards technology absorption	Not Applicable	
	(ii) The benefits derived:		
	(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)		
	a) The details of technology imported:		
	b) The year of import:		
	c) Whether the technology been fully absorbed:		
	d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:		
(iv) The expenditure incurred on Research and Development:			
C	Foreign exchange earnings and Outgo	Current Year 2019-20	Previous Year 2018-19
	Foreign Exchange Earning	13,382,944	7,172,015
	Foreign Exchange Outgo	Nil	Nil

14) RISK MANAGEMENT POLICY:

Your Company has identified various elements of risks associated with business of the Company, and has prepared a risk mitigation plan. In the opinion of the Board, none of the identified risks threaten the existence of the Company.

15) DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 2(31) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

16) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year under review, there are no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in futures.

17) INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Financial Control System which is commensurate with the size, scale, nature and complexity of its operations.

18) PARTICULARS OF EMPLOYEE:

Being private Company provisions relating Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

19) MONEY RECEIVED FROM DIRECTORS AND/OR RELATIVES OF DIRECTORS:

As at March 31, 2020, the details of money received from directors and/or relative of directors are given below:

Name	Opening Balance	Loan Taken During Year	Loan Repaid During Year	Closing Balance
Mr. Sunil Kulkarni	9,710,558	-	-	9,710,558

20) DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013:

The Company is not required to maintain cost records as specified by sub-section (1) of Section 148 of the Companies Act, 2013.

21) REPORTING ON FRAUDS BY AUDITORS:

During the year under review, no frauds were reported by the Auditors of the Company.

22) DISCLOSURE UNDER THE “SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule 2013, we report that there was no complaint received and no case was filled, during the year ended on March 31, 2020.

23) COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

During the year under review, the Company has complied with applicable Secretarial Standards.

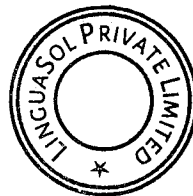
24) ACKNOWLEDGEMENT:

Your Directors express their gratitude to your Company's Bankers for their co-operation and assistance. Your Directors also acknowledge the support and assistance provided by Customers, Employees and Consultants.

**On behalf of Board of Directors
For LinguaSol Private Limited**


Sunil Kulkarni
Director
DIN: 00752937


Prachi Kulkarni
Director
DIN: 03618459



**Place: Tokyo
Date: 23/09/2020**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U72900PN2016PTC166812
ii)	Registration Date	October 17, 2016
iii)	Name of the Company	LinguaSol Private Limited
iv)	Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	Galore IT Park, 4 th Floor, S. No. 22, Bavdhan, Pune 411021 Ph. No.: 020-22953848; Email id: sunil.kulkarni@fideltech.com
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Software Development and Maintenance	72900	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares Held	Applicable Section
1.	Fidel Softech Private Limited Unit No. 202, 2nd Floor, Marisoft 3, West Wing, Marigold Software IT Park, Vadgaon Sheri, Pune 411014	U72200PN2004PTC020061	Holding Company	51%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	1400	1400	14	-	1400	1400	14	-
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	-	5100	5100	51	-	5100	5100	51	-
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	-	6500	6500	65	-	6500	6500	65	-
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	-	6500	6500	65	-	6500	6500	65	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	3500	35	35	-	3500	35	35	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	10000	10000	100	-	10000	10000	100	-

ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sunil Kulkarni	700	7	-	700	7	-	-
2	Mrs. Prachi Kulkarni	700	7	-	700	7	-	-
3	Fidel Softech Private Limited	5100	51	-	5100	51	-	-
	Total	6500	65	-	6500	65	-	-

iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year April 1, 2019	There are no changes in the promoters shareholdings			
	Date wise Increase/Decrease				
	At the End of the year March 31, 2020				

iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Rajeevlochan Phadke				
	At the beginning of the year April 1, 2019	3500	35	3500	35
	Date wise Increase/Decrease	-	-	-	-
	At the End of the year March 31, 2020	3500	35	3500	35

v) *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sunil Kulkarni				
	At the beginning of the year April 1, 2019	700	7	700	7
	Date wise Increase/Decrease	-	-	-	-
	At the End of the year March 31, 2020	700	7	700	7
2	Mrs. Prachi Kulkarni				
	At the beginning of the year April 1, 2019	700	7	700	7
	Date wise Increase/Decrease	-	-	-	-
	At the End of the year March 31, 2020	700	7	700	7

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	23,012,504	-	23,012,504
ii) Interest due but not paid	-	480,536	-	480,536
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	23,493,040	-	23,493,040
Change in Indebtedness during the financial year				
• Addition	-	9,990,312		9,990,312
• Reduction	-	(800,000)		(800,000)
Net Change	-	9,190,312		9,190,312
Indebtedness at the end of the financial year				
i) Principal Amount	-	31,471,894		31,471,894
ii) Interest due but not paid	-	1,211,458		1,211,458
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	-	32,683,352		32,683,352

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-
		Not Applicable	

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	Not Applicable	
	Fee for attending board / committee meetings		
	Commission		
	Others, please specify		
Total (1)			
2	Other Non-Executive Directors		
	Fee for attending board / committee meetings		
	Commission		
	Others, please specify		
Total (2)			
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

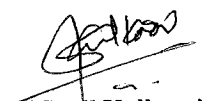
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	-as % of profit				
	-others, specify				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Sr. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment					
B.	DIRECTORS					
	Penalty					
	Punishment					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

Not Applicable

On behalf of Board of Directors
For LinguaSol Private Limited


Sunil Kulkarni
Director
DIN: 00752937


Prachi Kulkarni
Director
DIN: 03618459



Place: Tokyo
Date: 23/09/2020

KIRTANE & PANDIT LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of
LinguaSol Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LinguaSol Private Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, 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 (hereinafter referred to as "the financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Companies Act, 2013 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.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including annexures thereto, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Kirtane & Pandit LLP - Chartered Accountants
Pune | Mumbai | Nashik | Bengaluru | Hyderabad

Regd. Office : 5th Floor, Wing A, Gopal House, S.No. 127/1B/1, Plot A1, Opp. Harshal Hall, Kothrud, Pune - 411 038, India | Tel : +91 20-67295100 / 25433104
www.kirtanepandit.com | Email : kpa@kirtanepandit.com



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“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.

Those 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



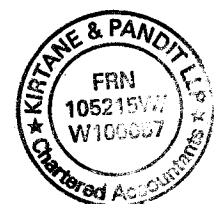
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.



Report on Other Legal and Regulatory Requirements

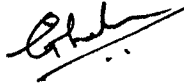
1. A statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, has not been enclosed herewith since the Company complies with all the conditions prescribed for exemption provided in Clause 2(v) of the aforesaid Order.

2. As required by Section 143(3) of the Act, based on our audit 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 purpose 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 Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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.
 - e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) A separate report as required under clause (i) of sub-section (3) of Section 143 of the Companies Act 2013, on adequacy of internal financial control over financial reporting of the Company and the operating effectiveness, is not enclosed herewith as the Company complies exemption criteria specified in notification No. F. No.1/1/2014-CL-V as amended by notification dated 25th July 2017 read along with notification No. G.S.R. 583(E) dated 13th June, 2017 issued by the Ministry of Corporate Affairs.
 - g) With respect to 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: The Company is a private company and hence, provisions of Section 197 of the Act do not apply to the Company.
 - 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

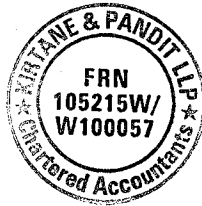


- i. The Company does not have any pending litigations which may have an impact on its financial position. (Refer Note 33 to the Financial Statements)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 33 to the Financial Statements)
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (Refer Note 33 to the Financial Statements)

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No.105215W/W100057



Suhrud Lele
Partner
Membership No.: 121162
UDIN: 20121162AAAADD2875



Pune, September 23, 2020

LinguaSol Private Limited

CIN: U72900PN2016PTC166812

Balance Sheet

as at 31 March 2020

(Currency - Indian Rupees)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,00,000	1,00,000
Reserves and surplus	4	57,88,834	1,58,45,084
		58,88,834	1,59,45,084
Non-current liabilities			
Long Term Borrowings	5	3,26,83,352	2,34,93,040
Long-term provisions	7	73,08,877	57,52,042
		3,99,92,229	2,92,45,082
Current liabilities			
Trade payables	8	8,09,039	16,47,991
Other current liabilities	9	98,31,288	97,47,679
Short-term provisions	10	11,35,852	11,24,735
		1,17,76,179	1,25,20,405
TOTAL		5,76,57,242	5,77,10,571
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	11	8,61,300	12,06,269
Intangible assets	11	3,54,88,638	3,16,84,661
Intangibles Under development	11	16,13,403	21,11,016
Deferred tax assets (net)	6	9,25,861	8,68,881
Long term loans and advances	12	66,81,430	51,31,528
Other non-current assets	13	4,57,998	-
		4,60,28,631	4,10,02,355
Current assets			
Trade receivables	14	77,06,299	79,43,667
Cash and bank balances	15	21,68,053	9,60,035
Short-term loans and advances	16	2,80,856	3,30,575
Other current assets	17	14,73,404	74,73,938
		1,16,28,612	1,67,08,216
Total		5,76,57,242	5,77,10,571

Summary of significant accounting policies 2

Notes to the financial statements 3-34

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

As per our report of even date attached

For Kirtane & Pandit LLP
Chartered Accountants
FRN - 105215W/ W100057

Suhrud Lele

Partner

Membership No. : 121162

Place : Pune

Date : 23rd Sept, 2020

UDIN : 20121162AAAADD2875



For and on behalf of the Board of Directors of
LinguaSol Private Limited
CIN: U72900PN2016PTC166812

Prachi Kulkarni

Director

DIN: 03618459

Place : Tokyo

Date : 23rd Sept, 2020

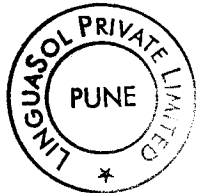
Sunil Kulkarni

Director

DIN: 00752937

Place : Tokyo

Date : 23rd Sept, 2020



LinguaSol Private Limited

CIN: U72900PN2016PTC166812

Statement of Profit and Loss

for the year ended 31 March 2020

(Currency - Indian Rupees)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations			
Sale of license and services	18	3,04,78,252	3,24,38,905
Other income	19	16,352	26,239
Total Revenue		3,04,94,604	3,24,65,144
Expenses			
Employee benefits expense	20	2,29,76,154	1,91,50,558
Finance costs	21	12,11,458	4,80,536
Depreciation and amortization expense	11	87,04,682	64,32,048
Other expenses	22	76,93,448	95,69,545
Total expenses		4,05,85,742	3,56,32,687
Profit before prior period items and tax		(1,00,91,138)	(31,67,543)
Prior Period items		-	-
Profit before exceptional items and tax		(1,00,91,138)	(31,67,543)
Exceptional items:			
Profit before tax		(1,00,91,138)	(31,67,543)
Tax expense			
Current tax		-	-
Previous Year		22,090	1,54,743
Deferred tax		(56,978)	(9,18,843)
Profit for the year		(1,00,56,250)	(24,03,443)

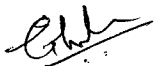
Basic and diluted loss per equity share of face value of INR 10 each (in INR) 24 (1,005.62) (240.34)

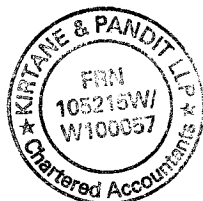
Summary of significant accounting policies 2
Notes to the financial statements 3-34

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

As per our report of even date attached


For Kirtane & Pandit LLP
Chartered Accountants
FRN - 105215W/ W100057

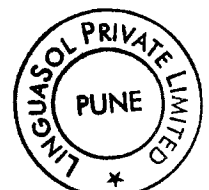

Suhrud Lele
Partner
Membership No. : 121162
Place : Pune
Date : 23rd Sept, 2020
UDIN : 20121162AAAADD2875



For and on behalf of the Board of Directors of
LinguaSol Private Limited
CIN: U72900PN2016PTC166812


Prachi Kulkarni
Director
DIN: 03618459
Place : Tokyo
Date : 23rd Sept, 2020


Sunil Kulkarni
Director
DIN: 00752937
Place : Tokyo
Date : 23rd Sept, 2020



LinguaSol Private Limited

CIN: U72900PN2016PTC166812

Cash Flow statement

for the year ended 31 March 2020

(Currency - Indian Rupees)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities :		
Profit before tax	(1,00,91,138)	(31,67,543)
Adjustments for:		
Depreciation and amortisation expenses	87,04,682	64,32,048
Interest income	(16,352)	(25,339)
Loss on assets sold	-	6,23,756
Taxes paid in foreign countries	(22,090)	(1,54,743)
	86,66,240	68,75,722
Operating (loss)/profit before working capital changes	(14,24,898)	37,08,179
Changes in working capital		
Decrease/(Increase) in trade receivables	2,37,368	(48,78,526)
(Increase)/Decrease in long-term loans and advances (other than taxation)	3,341	12,91,706
Decrease/(Increase) in short term loans and advances	49,719	91,894
Decrease/(Increase) in other current assets	60,00,534	(60,08,750)
Increase/(Decrease) in other current liabilities	83,609	27,16,494
Increase/(Decrease) in trade payables	(8,38,952)	6,42,424
Increase/ (Decrease) in short term provisions	11,117	2,04,444
(Decrease) / Increase in long term provisions	15,56,835	2,14,543
Decrease/(Increase) in TDS receivable		
Net changes in working capital	71,03,571	(57,25,770)
Cash (used in) operations	56,78,673	(20,17,591)
Taxes paid including tax deducted at source during the year (net of refunds)	(15,53,243)	(11,74,254)
Net cash (used in) operating activities	41,25,431	(31,91,845)
Cash flow from investing activities :		
Purchase of tangible fixed assets	-	(30,150)
Capitalised product development expenditure	(1,16,66,079)	(1,38,34,899)
Proceeds from sale of fixed assets	-	1,78,820
Fixed deposits matured/ (placed)	(5,58,933)	-
Interest received	29,356	2,535
Reclassification of Fixed Deposits including interest accrued thereon from non-current assets to current assets	-	4,16,738
Net cash (used in) / generated from investing activities	(1,21,95,656)	(1,32,66,956)
Cash flow from financing activities :		
Long term borrowings	91,90,312	1,58,85,790
Share Capital		
	91,90,312	1,58,85,790
Net (decrease) / increase in cash and cash equivalents	11,20,087	(5,73,011)
Cash and cash equivalents		
At the beginning of the year (refer note 15)	9,60,035	15,33,047
At the end of the year (refer note 15)	20,80,122	9,60,035

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

As per our report of even date attached

For Kirtane & Pandit LLP
Chartered Accountants
FRN - 105215W/ W100057

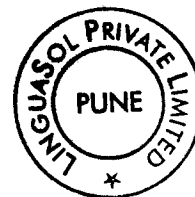
Subrud Lele
Partner
Membership No. : 121162
Place : Pune
Date : 23rd Sept, 2020
UDIN : 20121162AAAADD2875



For and on behalf of the Board of Directors of
LinguaSol Private Limited
CIN: U72900PN2016PTC166812

Prachi Kulkarni
Director
DIN: 03618459
Place : Tokyo
Date : 23rd Sept, 2020

Sunil Kulkarni
Director
DIN: 00752937
Place : Tokyo
Date : 23rd Sept, 2020



LinguaSol Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

1. Background

LinguaSol Private Limited (“the Company”) was incorporated on 17 October 2016 as a Private Limited Company.

The Company provides solutions for enterprise application language localization across all industry verticals. Revenues include sale of Software product, services and support services. It provides software and software services to its clients that enable any enterprise application to be seen in any language. The Company develops its suit of products in-house. The Company’s registered office is in Pune.

2. Significant Accounting Policies

The accounting policies set out below have been applied in the financial statements presented.

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 (AS) notified under section 133 of Companies Act, 2013 (“the Act”) read with Rule 7 of The Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees.

Applicability of accounting standards

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions of the Companies (Accounting Standard) Rules, 2006 which continue to apply under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a SMC. Further, the Company by virtue of being a SMC, is required to comply with the recognition and measurement principles prescribed by all accounting standards, but is given a relaxation in respect of certain disclosure related standards and certain disclosure requirements prescribed by other accounting standards.

2.2 Use of estimates

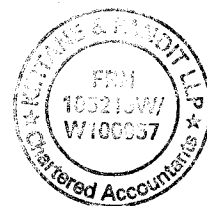
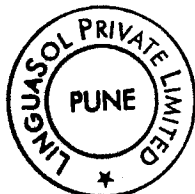
The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting principles and reported amount of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.3 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:



LinguaSol Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

- 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 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 expected 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.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months

2.4 Revenue recognition

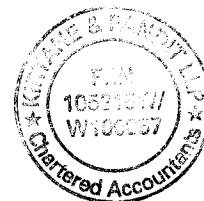
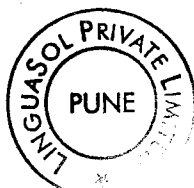
a. Income from software sale and services

Revenue is derived primarily from sale of software license, related implementation, customization and maintenance service.

For software license arrangements, the Company recognizes revenue upon delivery, provided

- (i) there is persuasive evidence of an arrangement,
- (ii) collection of the fee is considered probable and
- (iii) the fee is fixed or determinable.

The Company also enters into arrangement with the customers for combined delivery of license, related implementation, customization and maintenance services which are not considered essential to the functionality of the software.



LinguaSol Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

In most arrangements, specific objective evidence ("SOE") of fair value exists for the license and services element; therefore, the Company uses the relative fair value method to determine the amount of revenue to be allocated to these elements. Revenue related to services is recognized based on the stage of completion. Any losses on undelivered element are recognized immediately.

Revenue from annual maintenance and other contracts are recognised on a pro-rata basis over the period of the contract.

Unbilled revenue represents revenue recognised in relation to work done on fixed price projects until the Balance Sheet date for which billing has not taken place.

Income received in advance represents the revenue pertaining for the period subsequent to the financial year.

b. Interest

Interest on deployment of surplus funds is recognised using the time proportionate method based on the underlying interest rates.

c. Dividend and Other income

Dividend and other income are recognized when the right to receive payment is established.

2.5 Fixed assets and depreciation / amortization

Property, Plant and Equipment:

Property, Plant and Equipment are carried at acquisition cost less accumulated depreciation and/or impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price including inward freight, duties, taxes and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

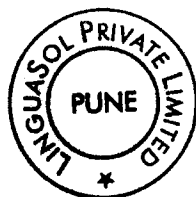
Subsequent expenditure related to tangible fixed assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard or performance.

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Act.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use. Assets individually costing INR 5,000 or less are depreciated fully in the year of acquisition.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

Property, Plant and Equipment are eliminated from the financial statements on disposal or when no further benefits are expected from their use and disposal.



LinguaSol Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

Intangible Fixed Assets

Intangible fixed assets that are acquired by the Company i.e. Software are measured initially at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment loss, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Software are amortised in the statement of Profit and Loss over the period of 10 years.

Product development costs are recognized as intangible fixed assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that the asset will generate probable future economic benefits.

Product development costs are amortized in the Statement of Profit and Loss over their useful lives of 5 years, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the assets.

Expenses incurred towards filing and registration of patents is charged to Profit & Loss Account as and when these are incurred.

Losses arising from retirement and gains or losses arising from disposal of intangible assets which are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss.

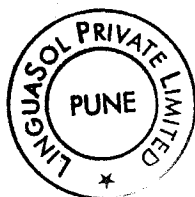
Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from the previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

2.6 Impairment of assets

In accordance with Accounting Standard 28 – Impairment of Assets (AS 28), the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets' recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. 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 recoverable amount, subject to a maximum of depreciable historical cost.

2.7 Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of the acquisition are classified as current investments. All other investments are classified as long-term investments. However, that portion of long-term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current investment' as current portion of long term investments in consonance with the current/non-current classification scheme of Schedule II of Act. Long-term investments are valued at cost less any other-than-temporary diminution in value, determined separately for each individual investment.



LinguaSol Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

Current investments are valued at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Any reduction in the carrying amount and any reversal of such reduction is charged or credited to the Statement of Profit and Loss.

2.8 Employee Benefits

a) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee services is recognized as an expense as the related service is rendered by employees.

b) Post-employment benefits (defined benefit plans)

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation carried out by an independent actuary at the Balance Sheet date using the projected unit credit method. Actuarial gains and losses and past service costs are recognized immediately in the Statement of Profit and Loss.

c) Post-employment benefits (defined contribution plans)

Contributions to the provident fund and labour welfare fund which are defined contribution schemes are recognized as an expense in the Statement of Profit and Loss in the period in which the contribution is due.

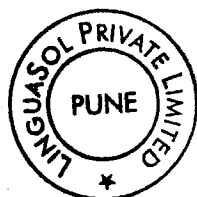
d) Long term employee benefits

Long term employee benefits comprise compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date. Actuarial gains and losses and past service costs are recognized immediately in the Statement of Profit and Loss.

2.9 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of these assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.



LinguaSol Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2020

2.10 Foreign exchange transactions

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Exchange differences

The exchange differences are recognised as income or expenses in the period in which they arise.

2.11 Provisions and Contingencies

Provision

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

Contingencies

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

2.12 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but no 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 virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

2.13 Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating lease rentals are recognized over the period of the lease in the Statement of Profit and Loss on a systematic basis.



LinguaSol Private Limited

Notes to the financial statements (Continued)

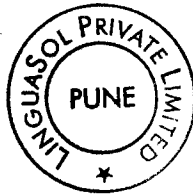
for the year ended 31 March 2020

2.14 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

2.15 Cash and cash equivalents

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



LinguaSol Private Limited

Notes to the financial statements (continued)

as at 31 March 2020

(Currency - Indian Rupees)

3. Share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
10,000 equity shares of face value of INR 10 each	1,00,000	1,00,000
	1,00,000	1,00,000
Issued, Subscribed and Paid up		
10,000 equity shares of face value of INR 10 each fully paid up	1,00,000	1,00,000
Total	1,00,000	1,00,000

3.1 Reconciliation of shares outstanding

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the commencement and at the end of the year	10,000	1,00,000	10,000	1,00,000
Issued and subscribed during the year	-	-	-	-
At the end of the year	10,000	1,00,000	10,000	1,00,000

3.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity share holder

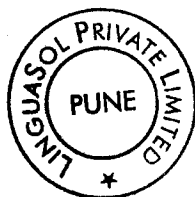
- On show of hands, every member present in person shall have one vote;
- On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to whole or any part of the assets of the company, whether they shall consist of the property of the same kind or not.

3.3 Particulars of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Equity Shares				
Sunil kulkarni	700	7.00%	700	7.00%
Prachi kulkarni	700	7.00%	700	7.00%
Fidel Softech Private Limited (Holding Company)	5,100	51.00%	5,100	51.00%
Rajeevlochan Phadke	3,500	35.00%	3,500	35.00%



LinguaSol Private Limited

Notes to the financial statements (continued)

as at 31 March 2020

4. Reserves and surplus

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve		
At the commencement of the year	2,80,07,245	2,80,07,245
Capital Reserve on acquisition of undertaking under business transfer agreement	-	-
	2,80,07,245	2,80,07,245
Balance in the Statement of Profit and Loss		
At the commencement of the year	(1,21,62,161)	(97,58,718)
Add: Profit/Loss for the year	(1,00,56,250)	(24,03,443)
Deficit in the statement of profit and loss	(2,22,18,411)	(1,21,62,161)
Total	57,88,834	1,58,45,084

5. Long term Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Loans from Related Parties		
Unsecured		
Loan from Director	97,10,558	97,10,558
Loan from Holding Company(*)	2,29,72,794	1,37,82,482
Total	3,26,83,352	2,34,93,040

* Note: Rate of Interest applicable: 7% p.a.

6. Deferred tax Liabilities/ Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liability on :		
Depreciation	14,85,177	9,57,404
Deferred Tax Asset on :		
Provision for Employee benefits	21,95,630	17,87,962
Disallowance of Preliminary Expenses	421	841
Other Disallowances	2,14,988	37,482
Deferred tax (Liability)/Asset [Net]	9,25,861	8,68,881



LinguaSol Private Limited

Notes to the financial statements (continued)

as at 31 March 2020

7. Long term provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Compensated absences (Refer note 30)	16,71,608	14,82,139
Gratuity (Refer note 30)	56,37,269	42,69,903
Total	73,08,877	57,52,042

8. Trade payables

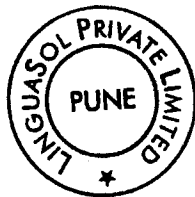
Particulars	As at 31 March 2020	As at 31 March 2019
Dues to Micro and Small Enterprises	-	-
Dues to Creditors other than Micro and Small Enterprises (Refer note 27)	8,09,039	16,47,991
Total	8,09,039	16,47,991

9. Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Income received in advance	23,77,492	24,75,479
Statutory dues payable:		
TDS payable	15,87,158	20,51,842
GST payable	9,80,853	3,98,742
Profession tax payable	17,875	7,325
Provident Fund Payable	1,81,696	1,69,230
Labour Welfare Fund Payable	792	864
ESI Payable	5,964	11,160
Employee Dues Payable	24,85,271	37,40,266
Other contractual liabilities	21,94,187	8,92,770
Total	98,31,288	97,47,679

10. Short-term provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Compensated absences (Refer note 30)	2,82,521	2,86,682
Gratuity (Refer note 30)	8,53,331	8,38,053
Total	11,35,852	11,24,735



LinguaSol Private Limited

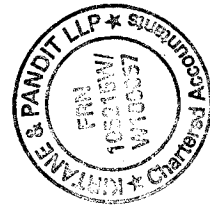
Notes to the financial statements (continued)
as at 31 March 2020

(Currency - Indian Rupees)

11. Fixed Assets (Refer note below)

Sr.No.	Particulars	Gross Block				Accumulated Depreciation			Net Block		
		Gross carrying Value as on 1 April 2019	Additions	Deletions/Transfer	Gross carrying Value as on 31st March 2020	Balance as at 1 April 2019	Depreciation charge for the year	Deletions	Balance as at 31st March 2020	Net carrying value as at 31 March 2020	Net carrying Value as at 31 March 2019
a	Property, Plant and Equipment										
	Computers & Server	3,13,834	-	-	3,13,834	2,57,458	34,082	-	2,91,541	22,293	56,376
	Furniture & Fixtures	14,70,561	-	-	14,70,561	7,11,109	2,02,309	-	9,13,418	5,57,143	7,59,452
	Office & Other Equipments	17,58,199	-	-	17,58,199	13,67,759	1,08,575	-	14,76,334	2,81,865	3,90,441
	Total	35,42,595	-	-	35,42,595	23,36,326	3,44,967	-	26,81,293	8,61,300	12,06,269
	Previous Year	45,63,014	30,150	10,50,569	35,42,595	20,41,781	5,42,538	2,47,993	23,36,326	12,06,269	25,21,233
b	Intangible Assets										
	Software	14,24,817	-	-	14,24,817	5,17,829	2,10,728	-	7,28,557	6,96,259	9,06,988
	Product Development	4,59,66,957	1,21,63,693	-	5,81,30,650	1,51,89,284	81,48,987	-	2,33,38,271	3,47,92,379	3,07,77,673
	Total	4,73,91,774	1,21,63,693	-	5,95,55,467	1,57,07,113	83,59,715	-	2,40,66,828	3,54,88,638	3,16,84,661
	Previous Year	92,27,403	1,63,21,865	-	3,95,89,188	20,15,018	58,89,509	-	79,04,527	3,16,84,661	2,12,52,306
c	Intangibles Under Development										
	Product Development	21,11,016	16,13,403	21,11,016	16,13,403	-	-	-	-	16,13,403	21,11,016
	Total	21,11,016	16,13,403	21,11,016	16,13,403	-	-	-	-	16,13,403	21,11,016
	Previous Year	45,97,982	21,11,016	45,97,982	-	-	-	-	21,11,016	21,11,016	45,97,982

Note: The company has acquired some the above mentioned assets under the business transfer agreement at their carrying amounts, for the purpose of charging depreciation, the estimated useful lives of the assets are reassessed and continued.



LinguaSol Private Limited

Notes to the financial statements (continued)

as at 31 March 2020

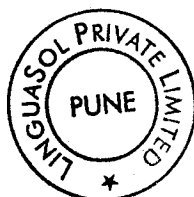
(Currency - Indian Rupees)

12. Long term loans and advances

Particulars	As at 31 March 2020	As at 31 March 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
To parties other than related parties		
Security deposits	13,02,694	13,06,035
Balances with Government Authorities		
Taxes deducted at source by customers	53,78,736	38,25,493
Total	66,81,430	51,31,528

13. Other non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Bank deposits due to mature after 12 months from the reporting date (held as margin money against Bank Guarantees)	4,50,118	-
Accrued interest on above	7,880	-
Total	4,57,998	-



LinguaSol Private Limited

Notes to the financial statements (continued)

as at 31 March 2020

(Currency - Indian Rupees)

14. Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good unless otherwise stated)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	26,800	29,88,663
Other receivables Considered good	76,79,499	49,55,004
Total	77,06,299	79,43,667

15. Cash and bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Cash and cash equivalents</i>		
Cash on hand	29,035	35,911
Balances with banks		
-on current accounts	20,51,087	5,07,386
-on deposit accounts	-	4,16,738
	(A) 20,80,122	9,60,035
<i>Other bank balances(held as margin money against Bank Guarantees)</i>		
-bank deposits with original maturity more than three months and less than twelve months.	87,931	-
	(B) 87,931	-
Total	21,68,053	9,60,035

Details of bank balances/deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'.	20,51,087	9,24,124
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'.	87,931	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'	4,50,118	-
Total	25,89,136	9,24,124



LinguaSol Private Limited

Notes to the financial statements (continued)

as at 31 March 2020

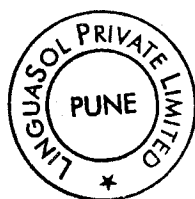
(Currency - Indian Rupees)

16. Short-term loans and advances

Particulars	As at 31 March 2020	As at 31 March 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to employees	2,04,290	2,21,290
Advances for supply of goods and services	-	-
Prepaid expenses	43,488	87,569
Other Deposits	33,078	21,716
Total	2,80,856	3,30,575

17. Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Unbilled revenue	14,23,404	4,50,449
AMC amount due but not billed	50,000	70,23,489
Total	14,73,404	74,73,938



LinguaSol Private Limited

Notes to the financial statements (continued) for the year ended 31 March 2020

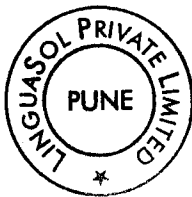
(Currency - Indian Rupees)

18. Revenue from Operations (Also refer Note 23)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of software licenses	41,69,827	56,50,571
Sale of services		
- Professional services	1,91,44,938	63,33,000
- Annual and other maintenance services	71,63,487	2,04,55,334
Total	3,04,78,252	3,24,38,905

19. Other income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on deposits with banks	16,352	25,339
Miscellaneous Income	-	900
Total	16,352	26,239



LinguaSol Private Limited

Notes to the financial statements (continued) for the year ended 31 March 2020

(Currency - Indian Rupees)

20. Employee Benefit Expenses

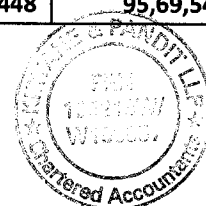
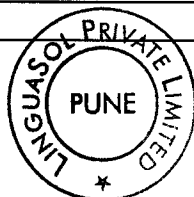
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, allowances and bonus	2,12,76,560	1,75,32,385
Contribution to Provident and other Funds (also refer Note 30)	10,76,143	9,87,456
Staff welfare expenses	6,23,451	6,30,717
Total	2,29,76,154	1,91,50,558

21. Finance Costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on Loan from Fidel	12,11,458	4,80,536
Total	12,11,458	4,80,536

22. Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Electricity expenses	6,14,713	9,08,485
Telephone and internet expenses	1,84,674	1,90,644
Marketing and business promotion	10,45,000	5,500
Language translation expenses	14,39,797	11,54,198
Travelling expenses	4,80,078	5,51,689
Rent (also refer note 31)	18,93,268	36,46,461
Repairs and maintenance expenses	1,86,828	6,00,835
Auditor's remuneration (also refer note 25)	2,24,000	2,90,060
Legal and professional fees	4,44,511	2,49,500
Statutory filing fees	14,100	10,710
Interest paid on statutory dues	3,94,243	91,058
Loss on sale of furniture	-	6,23,756
Rates and taxes	2,500	2,500
Loss on foreign exchange fluctuation (net)	1,70,181	42,520
Selling & Distribution Expenses	-	5,82,000
Software Expenses	3,09,604	3,66,429
Housekeeping expenses	83,621	1,01,166
Insurance expenses	31,273	10,177
Miscellaneous expenses	1,75,058	1,41,857
Total	76,93,448	95,69,545



LinguaSol Private Limited

Notes to the financial statements (continued) for the year ended 31 March 2020

(Currency - Indian Rupees)

- 23 Revenue from operations (Note 18) after the date of the Business Transfer Agreement(BTA) entered into between the Company and LinguaNext Technologies Private Limited, also includes sale invoices raised by the Company on LinguaNext Technologies Private Limited on cost -to-cost basis considering the invoices raised by LinguaNext Technologies Private Limited on account of continuing Annual Maintenance Contracts(AMC) entered into before the date of the said agreement, as part of the BTA.

24 Earnings per share

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year attributable to equity shareholders	A	(1,00,56,250)	(24,03,443)
Weighted average number of equity shares of face value of Rs 10 each outstanding during the year	B	10,000	10,000
Basic and Diluted profit per equity share of face value Rs 10 each (in INR)	(A/B)	(1005.62)	(240.34)

25 Auditors' remuneration

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
As auditor		
Statutory audit	1,25,000	1,25,000
Tax audit	-	75,000
For Taxation matters	75,000	25,000
For Other Services	24,000	64,000
Out of Pocket Expenses	-	1,060
Total	2,24,000	2,90,060

26 Earnings in foreign currency (accrual basis)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of Services		
- Professional services	92,55,312	-
- Annual and other maintenance services	27,53,575	15,21,444
-License Sales	13,74,057	56,50,571
Total	1,33,82,944	71,72,015

There were no expenditures in foreign currency incurred during the financial year.

27 Compliance with Micro, Small and Medium Enterprises Development Act, 2006

The Company had requested confirmation from all the creditors regarding their status under the Micro, Small, and Medium Enterprises Development Act, 2006. The Company has not received any replies from its suppliers. Accordingly, in Management's view, there is no amount of any interest that may be payable (in accordance with the provisions of the Micro, Small, and Medium Enterprises Development Act, 2006) on delayed payments to its micro or small suppliers.



LinguaSol Private Limited

Notes to the financial statements (continued) for the year ended 31 March 2020

(Currency - Indian Rupees)

28 Related party disclosures

a) **Key management personnel and persons exercising significant influence.**

- 1 Sunil Kulkarni (Director)
- 2 Prachi kulkarni (Director)
- 3 Rajeevlochan Phadake (Person having significant influence and holding substantial interest in voting rights)

b) **Enterprises under Common Control**

- 1 LinguaNext Technologies Private limited.
- 2 Fidel Softech Private limited (Holding Company)
- 3 Fidel Technologies KK.

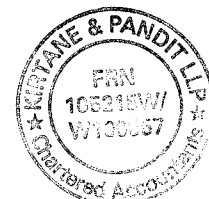
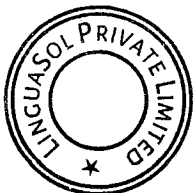
c) **Disclosure of related party transactions:**

Sr. No.	Nature of transaction	Period ended 31 March 2020	Period ended 31 March 2019
		Amount	Amount
1	Sales of AMC and Services		
	Fidel Technologies KK	29,76,390	-
	LinguaNext Technologies Private limited	20,29,551	65,96,144
2	Remuneration to Key Managerial Personnel		
	Rajeevlochan Phadake	48,91,596	34,87,500
3	Expenses for Translation Services		
	Fidel Softech Private Limited	14,09,797	12,45,669
4	Loan from Key Managerial Personnel/ Holding Company (including interest thereon)		
	Sunil Kulkarni	-	21,03,308
	Fidel Softech Private Limited	99,90,312	1,37,82,482
5	Repayment of Loan from Holding Company		
	Fidel Softech Private Limited	8,00,000	-
	Total	2,20,97,646	2,72,15,103

28 Related party disclosures.

d) **Amount due to/from related parties**

Sr. No.	Nature of transaction	As at 31 March 2020	As at 31 March 2019
		Amount	Amount
1	Receivables (Net)		
	LinguaNext Technologies Private limited	-	5,26,771
2	Payable (Net)		
	Fidel Softech Private Limited	2,35,03,739	1,53,05,093
	Sunil Kulkarni	97,10,558	97,10,558
	LinguaNext Technologies Private limited	1,77,648	-
	Rajeevlochan Phadake	33,559	29,217



LinguaSol Private Limited

Notes to the financial statements (continued) for the year ended 31 March 2020

(Currency - Indian Rupees)

29 Employee Benefits

a) On account of business transfer agreement all the employees and the benefits they were entitled to in the transferor company (LinguaNext Technologies Private limited) were also transferred to the company in FY 2016-17, So the company has recognised its liability considering the entire period of employment in Transferor company as uninterrupted period of employment under respective benefit schemes.

b) Defined contribution plans

The Company has recognised INR 10,04,112 (2019: INR 8,99,122) towards provident fund , INR 3,096 (2019: 3,528) towards labour welfare fund and INR 68,935 (2019: INR 84,806) towards employee state insurance in the Statement of Profit and Loss.

c) Defined benefit plans

Gratuity:

In accordance with the Payment of Gratuity Act, 1972, the Company was required to provide post employment benefit to its employees in the form of gratuity. The disclosures relating to actuarial assumptions in accordance with AS 15 (Revised) are provided below:

	31-Mar-20	31-Mar-19
Discount rate	6.10%	7.60%
Salary escalation	10.00%	10.00%
Withdrawal rate (depending on age)	10.00%	10.00%
Mortality		
Expected average remaining working lives of employees (in years)	Indian Assured Lives Mortality (2012-14) ultimate 8.63	8.7

The plan has not been funded as on the valuation date.

Discount rate

The discount rate is based on the prevailing market yields on Government bonds as at the Balance Sheet date for the estimated terms of the obligations.

Salary escalation

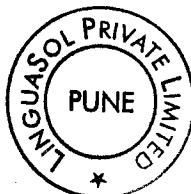
The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Methodology

Projected unit credit method (PUC) is used to assess the present value of obligation and the related current service cost and interest cost.

Table Showing Change in the Present Value of Projected Benefit Obligation	31-Mar-20	31-Mar-19
Present Value of Benefit Obligation at the Beginning of the Period	51,07,956	45,58,028
Interest Cost	3,84,243	3,55,526
Past Service Cost	-	-
Current Service Cost	5,05,400	4,73,477
Actuarial (Gains)/Losses on Obligations	5,97,252	(2,79,075)
Benefits Paid	(1,04,251)	-
Present Value of Benefit Obligation at the End of the Period	64,90,600	51,07,956

Expenses Recognized in the Statement of Profit or Loss for Current Period	31-Mar-20	31-Mar-19
Current Service Cost	5,05,400	4,73,477
Net Interest Cost	3,84,243	3,55,526
Actuarial (Gains)/Losses	5,97,252	(2,79,075)
Past Service Cost	-	-
Expenses Recognized in the Statement of Profit or Loss	14,86,895	5,49,928



LinguaSol Private Limited

Notes to the financial statements (continued) for the year ended 31 March 2020

(Currency - Indian Rupees)

Balance Sheet Reconciliation	31-Mar-20	31-Mar-19
Opening Net Liability	(51,07,956)	(45,58,028)
Expense Recognized in Statement of Profit or Loss	(14,86,895)	(5,49,928)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	1,04,251	-
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	(64,90,600)	(51,07,956)

Leave Encashment:

Data Summary	31-Mar-20	31-Mar-19
Number of Employees	37	37
Total Salary (Encashment)	23,19,461	23,04,855
Average Age	35.48	34.84
Average Past Service	6.73	6.73
Total Leave Days	676	631

Valuation Results

	31-Mar-20	31-Mar-19
Discontinuance Liability	18,96,000	1,736
Projected Benefit Obligation	19,54,129	17,68,821

Current & Non-Current Liability

	31-Mar-20	31-Mar-19
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	2,82,521	2,86,682
Non-Current Liability	16,71,608	14,82,139

Valuation Assumptions

	31-Mar-20	31-Mar-19
(i) Financial Assumptions		
Salary Escalation Rate		
For first year	00.00% p.a.	00.00% p.a.
For subsequent years	10.00% p.a.	10.00% p.a.
Discount Rate	6.10% p.a. (Indicative G. Bonds referenced on 31-03-2020)	7.80% p.a. (Indicative G. Bonds referenced on 31-03-2019)
(ii) Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

30 Leases

Particulars	31 March 2020 Amount	31 March 2019 Amount
Lease payment debited to Statement of Profit & Loss (Net of GST)	27,65,253.00	50,33,845.00
Lease obligation in respect of non-cancellable leases is as follows:		
- Not later than one year	-	19,16,825.81
- later than one year and Not later than five years	-	-
- Later than five years	-	-



LinguaSol Private Limited

CIN: U72900PN2016PTC166812

Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency - Indian Rupees)

31 Foreign currency exposures outstanding at the year end

The following foreign currency receivables/payables balances are not covered by derivative instruments at the Balance Sheet date:

Particulars	Currency	Amount in foreign currency	Equivalent Amount in Indian Rupees	Amount in foreign currency	Equivalent Amount in Indian Rupees
		31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
Trade Receivables	JPY	-	-	23,31,000	14,57,644
	USD	-	-	29,598	20,53,509

32 Contingent Liabilities to the extent not provided for :

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Infosys_GADGIL AMC 4 years x 864000 per year (18% on 48,80,000) *	8,64,000	17,28,000
Bank Guarantees #	5,33,195	3,91,000

Note:


*Above mentioned are the contingencies that the company has agreed to take over in consideration of Rs. 1,49,99,900 received from the transferor company under BTA referred to in Note 18

The Company has kept Fixed Deposits as 100% lien with bank in respect of the Bank Guarantees taken.

- 33 (i) The Company did not have any pending litigation as on 31st March, 2020
(i) The Company does not have any long-term contracts including derivative contracts for which there are material foreseeable losses.
(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- 34 The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

For Kirtane & Pandit LLP
Chartered Accountants
FRN - 105215W/ W100057


Suhrud Lele
Partner
Membership No. : 121162
Place : Pune
Date : 23rd Sept, 2020
UDIN : 20121162AAAADD2875



For and on behalf of the Board of Directors of
LinguaSol Private Limited
CIN: U72900PN2016PTC166812


Prachi Kulkarni
Director
DIN: 03618459
Place : Tokyo
Date : 23rd Sept, 2020


Sunil Kulkarni
Director
DIN: 00752937
Place : Tokyo
Date : 23rd Sept, 2020

