

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE BOARD OF DIRECTORS OF DIACRITECH INC., USA**

#### **Report on the Condensed Financial Statements**

We have audited the accompanying Condensed Financial Statements of **DIACRITECH INC., USA** which comprises the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss (including other Comprehensive Income) and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and a summary of selected explanatory notes. The accompanying Condensed Financial Statements have been prepared by management in accordance with the generally accepted accounting principles applicable in India, solely to enable its Ultimate Holding Company, Lumina Datamatics Limited to prepare its Consolidated Financial Statements.

#### **Management's Responsibility for the Condensed Financial Statements**

The Management is responsible for the preparation of these Condensed Financial Statements. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Condensed Financial Statements that are free from material misstatements, whether due to fraud or error.

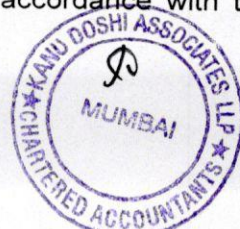
#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Condensed Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Condensed Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Condensed Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Condensed Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the Condensed Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Condensed Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Condensed Financial Statements of Diacritech Inc, USA as at and for the year ended March 31, 2024 are prepared, in all material respects, in accordance with the generally accepted accounting principles in India.

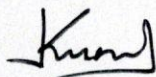




**Basis of Accounting and Restriction on distribution and use**

Without modifying our opinion, we draw attention to Note No. 1(a)(i), which describes the basis and purpose of the Condensed Financial Statements. The Condensed Financial Statements are prepared solely to enable its Ultimate Holding company, Lumina Datamatics Limited, to prepare its Consolidated Financial Statements and are not to be used for any other purpose or to be distributed to any other parties without our prior written consent.

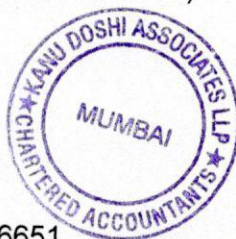
For Kanu Doshi Associates LLP  
Chartered Accountants  
(Firm's Registration No. 104746W/W100096)



Kunal Vakharia  
Partner

Membership No: 148916

UDIN No. 24148916BKCQMZ6651



Place: Mumbai

Date: 13<sup>TH</sup> June, 2024

**diacriTech, Inc.**  
**Condensed Financial Statement**  
**Balance Sheet As At Mar 31, 2024**

(All amounts in USD)

Particulars	Note	March 31,2024	March 31,2023
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets			
i. Trade receivables	2	49,823	55,198
ii. Cash and cash equivalents	3	35,908	32,474
		<b>85,731</b>	<b>87,672</b>
<b>Total current assets</b>		<b>85,731</b>	<b>87,672</b>
<b>Total assets</b>		<b>85,731</b>	<b>87,672</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital</b>			
Equity share capital	4 (a)	457,942	457,942
Other Equity	4 (b)	(412,364)	(420,599)
<b>Total equity</b>		<b>45,578</b>	<b>37,344</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	5	38,359	50,328
Other current liabilities	6	1,793	-
		<b>40,152</b>	<b>50,328</b>
<b>Total current liabilities</b>		<b>40,152</b>	<b>50,328</b>
<b>Total liabilities</b>		<b>40,152</b>	<b>50,328</b>
<b>Total equity and liabilities</b>		<b>85,731</b>	<b>87,672</b>

The accompanying notes forming an integral part of the financial statements 1-11

As per our attached report of even date

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm Registration No. 104746W/W100096



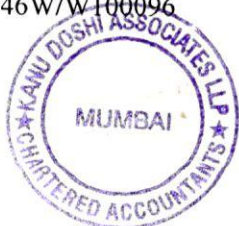
**Kunal Vakharia**

Partner

Membership No. 148916

Place : Mumbai

Dated : May 06, 2024



**For and on behalf of the Board**



**Sameer L. Kanodia**  
 CEO and Managing Director

DIN: 00008232



diacriTech, Inc.  
**Condensed Financial Statement**  
**Statement Of Profit And Loss For The Period Ended Mar 31, 2024**

(All amounts in USD)

<b>Particulars</b>	<b>Note</b>	<b>March 31,2024</b>	<b>March 31,2023</b>
<b>Continuing operations</b>			
Revenue from operations	7	482,208	848,241
Other income	8	1	-
<b>Total income</b>		<b>482,209</b>	<b>848,241</b>
<b>Expenses</b>			
Employee benefit expenses	9	33,128	101,668
Depreciation and amortisation expenses	10	-	745
Other expenses	11	440,846	917,973
<b>Total expenses</b>		<b>473,974</b>	<b>1,020,386</b>
<b>Profit before tax</b>		<b>8,235</b>	<b>(172,145)</b>
<b>Total tax expense/(credit)</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>8,235</b>	<b>(172,145)</b>

The accompanying notes forming an integral part of the financial statements 1-11

As per our attached report of even date

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm Registration No. 104746W/W100096



**Kunal Vakharia**

Partner

Membership No. 148916

Place : Mumbai

Dated : May 06, 2024



**For and on behalf of the Board**



**Sameer L. Kanodia**

CEO and Managing Director

DIN: 00008232

**diacriTech, Inc.**

Notes forming part of the condensed financial statements  
(All amounts are in USD unless otherwise stated)

**Note 1: Significant accounting policies and notes on account**

**a) Significant Accounting Policies**

**i) Basis of Preparation of Condensed Financial Statements:**

The condensed financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Ind AS in India from the books of accounts maintained in US Dollars. The above condensed financial statements comprising of Balance Sheet ,Statement of Profit and Loss and Significant accounting policies have been prepared by the management to enable its ultimate holding company, Lumina Datamatics Limited to prepare its consolidated financial statements and only relevant disclosures as required for the intended purpose are disclosed.

**ii) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**b) Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

**c) Revenue recognition**

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognised on periodical basis based on units executed and delivered.

Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue. Discount is recognised on cash basis in accordance with the contractual term of the agreement with the customers.

‘Unbilled revenues’ included in other current assets represent cost and earnings in excess of billings as at the balance sheet date.

**d) Income tax**

No provision has been considered necessary for the current year since the company has the brought forward net operating losses in accordance with Internal Revenue Service Code of United States of America. However State taxes are accrued and provided in the books. No deferred tax asset has been recognised on the amount of carried forward tax losses and unabsorbed depreciation in the absence of virtual certainty.

**e) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**f) Impairment of financial assets**

At each balance sheet date, carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



**diacriTech, Inc.**

Notes forming part of the condensed financial statements  
(All amounts are in USD unless otherwise stated)

**g) Property, plant and equipment**

Property, plant and equipment's are valued at cost after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Intangible assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Capital work-in-progress includes assets not put to use before the year end.

**h) Depreciation methods, estimated useful lives and residual value**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Leasehold improvements are amortized over the lease term or the useful life of the asset as determined by the management, whichever is lower. Software cons and customer related contracts intangibles are amortized on a straight-line basis over a period of three years representing the estimated useful life of the respective intangibles.

**i) Tangible assets**

Fixed assets are stated at cost less accumulated depreciation/amortisation and impairment losses, where applicable. The company capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any attributed cost of bringing the asset to its working condition for its intended use.

**j) Intangible assets**

Software is acquired primarily from third-party vendors and is in ready-to-use condition. Costs for acquiring such software are capitalized.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital advances" under Long term loans and advances.

**k) Provision, Contingent Liabilities and Contingent Assets**

The company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount or 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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the condensed financial statements.

**l) Operating cycle**

Based on the nature of products ,activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months For the purpose of classification of its assets and liabilities as current and non-current.

**m) Segment reporting**

The company operates in only one business segment, which is e-publishing services and one geographic segment USA.



**diacriTech, Inc.**

**Notes to the Financial Statements**

**Note 2 - Trade receivables**

<b>Particulars</b>	<b>March 31,2024</b>	<b>March 31,2023</b>
<b>Unsecured</b>		
Considered Good	49,823	55,198
Considered doubtful		
	<u>49,823</u>	<u>55,198</u>
Less :- Allowance for expected credit loss	-	-
<b>Total</b>	<u><u>49,823</u></u>	<u><u>55,198</u></u>

**Note 3 - Cash and cash equivalents**

<b>Particulars</b>	<b>March 31,2024</b>	<b>March 31,2023</b>
Bank balances	35,908	32,474
<b>Total</b>	<u><u>35,908</u></u>	<u><u>32,474</u></u>





diacriTech, Inc.

Note 4 :Statement of changes in equity for the period ended March 31, 2024

(a) Equity share capital	
(All amounts in USD)	
Particulars	Amount
March 31, 2022	457,942
Change in equity	-
March 31, 2023	457,942
Change in equity	-
March 31, 2024	457,942

(b) Other equity

Particulars	Attributable to owners of Diacritech Inc		
	Retained earnings	Capital Reserve	Total other equity
As at March 31, 2022	(248,454)	-	(248,454)
Profit for the year	(172,145)	-	(172,145)
Other comprehensive income	-	-	-
Others	-	-	-
Total comprehensive income for the year	(172,145)	-	(172,145)
As at March 31, 2023	(420,599)	-	(420,599)
Profit for the year	8,235	-	8,235
Other comprehensive income	-	-	-
Others	-	-	-
Total comprehensive income for the year	8,235	-	8,235
As at March 31, 2024	(412,364)	-	(412,364)





diacriTech, Inc.  
Notes to the Financial Statements

**Note 5 - Trade payables**

<b>Particulars</b>	<b>March 31,2024</b>	<b>March 31, 2023</b>
Trade payables	38,359	50,328
<b>Total</b>	<b>38,359</b>	<b>50,328</b>

**Note 6 - Other current financial and non financial liabilities**

<b>Particulars</b>	<b>March 31,2024</b>	<b>March 31, 2023</b>
Statutory dues	1,561	-
Customer Advances	232	-
<b>Total</b>	<b>1,793</b>	<b>-</b>



diacriTech, Inc.  
Notes to the Financial Statements

**Note 7 - Revenue from operations**

(All amounts in USD)

Particulars	March 31,2024	March 31,2023
Sale of Services	482,208	848,241
<b>Total</b>	<b>482,208</b>	<b>848,241</b>

**Note 8 - Other income**

Particulars	March 31,2024	March 31,2023
Discount Allowed	1	-
<b>Total</b>	<b>1</b>	<b>-</b>

**Note 9 - Employee benefit expenses**

Particulars	March 31,2024	March 31,2023
Basic Salary, Wages & Allowances	33,128	100,846
Staff Welfare	-	822
<b>Total</b>	<b>33,128</b>	<b>101,668</b>

**Note 10 - Depreciation and amortisation expenses**

Particulars	March 31,2024	March 31,2023
Amortisation on intangible assets	-	745
<b>Total</b>	<b>-</b>	<b>745</b>

**Note 11 - Other expenses**

Particulars	March 31,2024	March 31,2023
Outsourcing cost	429,103	829,939
Legal & Professional expenses	212	8,679
Travelling expenses	31	4,832
Rent	399	1,443
Communication charges	913	6,992
Subscription expenses	1,890	10,524
Bank charges	1,297	1,929
Rates & Taxes	456	(2)
Repairs & Maintenance expenses	164	2,050
Bad debts	-	45,000
Insurance	6,381	6,587
<b>Total</b>	<b>440,846</b>	<b>917,973</b>

